CMHC
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and Housing Corporation

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Société canadienne
d'hypothèques et de logement

PROJECT REPORT:

The Potential for Batch Rehabilitation in Atlantic Canada

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PREPARED FOR:

Canada Mortgage and Housing Corporation

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December, 1983

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December 5, 1983

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Dear Mr. Smith:

We are pleased to submit 25 copies of our Phase I Report on the Batch Rehabilitation project.

The objectives of this phase of the study are to determine the potential economies, benefits and feasibility of batch rehabilitation in Atlantic Canada. Some attention is also given to the role that batch rehabilitation might play in stimulating housing industry involvement in rehabilitation work.

The study was unable to identify a comparable foreign scheme on which batch rehabilitation in Atlantic Canada could be directly modelled. Consequently, definite conclusions regarding the feasibility of implementing batch rehabilitation and its legal implications were not possible. However, based on an assessment of the batch rehabilitation concept in Atlantic Canada, the study finds some modest potential for economies and benefits.

However, before these economies and benefits can be realized, a number of issues identified in the study must be resolved. The most important of these issues are the legal implications of and the potential market size for batch rehabilitation. The latter item, while not strictly part of the Terms of Reference, must receive careful consideration before a batch rehabilitation scheme is implemented.

The study recommends proceeding with Phase II. Our recommendation is predicated on the assumption that it is important to resolve the

outstanding issues. Thus, Phase II would design an administrative mechanism to implement a batch scheme as well as resolve the outstanding issues.

We wish to thank CMHC for the opportunity to work on the Batch Rehabilitation project.

Yours sincerely,

Thomas Pinfold

Thomas Pinfold

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Acknowledgements

We wish to thank Mr. Ron Smith and Mr. Yeeseng Lee, who as Project Officers for this Study, provided very helpful comments and suggestions throughout the course of the research. We also wish to extend our appreciation to Mr. Douglas Urquhart and Ms. Patricia Richards, both of whom provided valuable assistance during this research.

In addition, we wish to acknowledge the assistance given to us by public and private sector individuals in the housing industry in Canada, the United States and England. We would like to especially thank Mr. Andy Thomas at the University of Birmingham, England, Mr. Joel Owens of the Neighbourhood Conservation Services in Barberton, Ohio, and Ms. Maureen Ferris-Pepsin of the National Trust for Historic Preservation, Washington, D.C.

A complete list of those interviewed for this study is presented in Appendix A.

Gardner Pinfold Consulting
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Executive Summary

Batch rehabilitation refers to the process of rehabilitating several owner-occupied homes under some form of common arrangement.

The objectives of this Study are to determine:

a) the potential economies and benefits of batch rehabilitation; and

b) the feasibility of undertaking the batch rehabilitation of individually-owned units under the National Housing Act RRAP program and the degree that such activity can contribute to an increase in industry participation in residential rehabilitation and employment in an area.

Of all the batch rehabilitation schemes examined, only two were judged potentially useful for the purposes of this study. The projects are located in Barberton, Ohio and Birmingham, England. Exhibit S-1 summarizes the characteristics of the Birmingham and Barberton schemes.

The economic circumstances, the administrative settings, and the housing markets in which the foreign batch rehabilitation schemes operate differ significantly from the situation in Atlantic Canada. Consequently, the study concludes that the direct transfer of the foreign schemes to Atlantic Canada is not feasible.

The Study also assesses the feasibility of introducing a batch rehabilitation scheme in Atlantic Canada.

Exhibit S-1: A Summary of Batch Rehabilitation in Birmingham and Barberton

Characteristics	Barberton	Birmingham
Housing Type	Single Family	Row Housing
Project Size	5-30 Units	275-300+
Project Cost	$5,000 max to data	£1 Million on Average
Delivery Agent	Non-Profit Group	Municipal Government
Average Cost/Unit	Varies, generally never exceeds $500	£4,000-£5,000
RRAP-Type Work	No	Yes
Individual Financing Source	Private	Government
Subsidies	Almost Never	Always
Project Duration	1-3 Months	1-3 Years
Cost Savings	Yes	Yes
Tenders Required	No	Yes
Large Construction Firms Involved	No	Yes
Self-Help Labour	Yes	No
Income Groups	Middle	Low-Middle

Source: Compiled from interviews and literature review.

The delivery agents interviewed were generally skeptical of the effects of batch rehabilitation on homeowners, delivery agents, and on the construction industry and homeowners. They questionned the potential benefits, the feasibility of introducing such a scheme in the hetergeneous housing stock of the region, and how such a scheme would improve on the current RRAP.

The Study concludes from interviews with contractors that batch rehabilitation would attract the interest of many small to medium sized, well-established general and specialized contractors. Cost savings of 10 to 15 percent on materials are possible. However, projects of ten to twenty units appear to be more attractive for the contractors. The evidence on labour savings was inconclusive as was the information on potential organizational savings.

In aggregate terms, cost savings for homeowners in a scheme comprising 10-15 units may be about $11,000. However, once these savings are discounted by the forgiveable portion of RRAP loans, net cost savings for all homeowners in a project may be less than $1,000. Based on this evidence, the potential cost savings do not provide a strong justification for undertaking a batch rehabilitation scheme.

Batch rehabilitation may add some stability to the construction industry by consolidating individual RRAP contracts into larger volumes of work. There is some potential for incremental employment generation from batch schemes if their implementation increases the volume of RRAP work.

According to foreign officials, the potential and feasibility of batch rehabilitation is reduced in an area which has already received rehabilitation loans. If true,

the successful implementation of batch rehabilitation schemes may be limited to urban areas of Atlantic Canada where RRAP activity has not been extensive.

Even though the cost savings from batch rehabilitation appear very limited, batch rehabilitation could serve as a useful tool for CMHC to direct activity in the housing market. A number of issues remain unresolved, including: i) the market size for batch rehabilitation; ii) the extent of cost savings; iii) the legal implications of batch rehabilitation; and, iv) the administrative mechanism for batch rehabilitation.

Many of these issues may be resolved by proceeding to Phase II. But, without a model to follow, the design of a batch rehabilitation delivery mechanism requires careful consideration of a number of issues of an economic, administrative and legal nature, a more extensive review of the determinants of homeowner renovation and the size and location of the potential market for batch rehabilitation.

The Study recommends that work proceed on the design of a delivery mechanism in Phase II of the batch rehabilitation study. In addition to designing a batch delivery mechanism, this work should specifically address legal and administrative issues; market size, potential and location; and the determinants of the decision to rehabilitate.

I. Background and Motivation

1. Background

The housing market in the early 1980's in Atlantic Canada contrasts sharply with that of the previous decade. Within a very short period, dramatic changes have occurred, many of which were unforeseen by those familiar with the industry. These changes, for the most part, reflect the response of the housing market to high mortgage interest rates and economic uncertainty.

Housing starts peaked in Atlantic Canada in 1973 at approximately 22,000 units. By 1981, the level of activity was down to 9,300 units, less than half the peak. A major result of this has been a levelling off in the growth of the construction labour force in Atlantic Canada. In spite of a 33 percent increase in households in the Region between 1971 and 1981, total employment in the construction industry for the three largest Atlantic Provinces (New Brunswick, Nova Scotia and Newfoundland/Labrador) in 1981 was unchanged from a decade earlier.

The decline in housing starts is the product of both economic and demographic factors. Among the former are the general economic uncertainty that has prevailed since petroleum prices started to increase rapidly in 1974, the high levels of unemployment and inflation that have characterized the Canadian economy over the last seven years, and the high and unstable mortgage interest rates from 1980 until mid-1982.

Demographically, the dominant factor is that of the baby-boom generation, those people born between

1946-1966. The greatest number of births occurred during the late 1940's and the early 1950's. By the late 1970's, the majority of these people had formed households and acquired housing. The number of new housing market entrants will continue to decline in response to the smaller number of persons entering the 18-24 year age bracket. Out-migration is another significant demographic factor. Statistics Canada estimates a net out-migration of nearly 25,000 people between the ages of 16 and 24 years from the Atlantic provinces between 1976 and 1980, inclusive.

In the face of declining requirements for new housing units, the state of the existing housing stock has been receiving increasing attention in recent years. In Atlantic Canada, this is not surprising, since in spite of significant additions to the housing stock during the 1970's, nearly one-third of the 1981 housing stock was built prior to 1946. The benefits of upgrading the existing housing stock include improving housing quality, conserving energy, renewing and revitalizing older neighbourhoods, strengthening municipal tax bases, and providing jobs for those in the construction industry. Although the first four activities have been the subject of various studies and government assistance programs in recent years, the construction industry itself has not been the subject of research to date in Atlantic Canada.

With the prospect of a long-term decline in new housing construction, the residential construction industry is facing a difficult period of adjustment to a rapidly changing market. By means of this research initiative, CMHC hopes to facilitate the transition of the residential construction industry from a market dominated by new housing construction to one where the rehabilitation of the existing housing stock plays a larger role. Batch rehabilitation,

which would be administered as a feature part of RRAP (the Residential Rehabilitation Assistance Program) delivery in urban areas, could be a useful support to this transition. While the industry has recently become more involved in renovation and rehabilitation, CMHC is interested in providing further encouragement and incentive for this kind of construction activity.

2. Definitions and Objectives

Batch rehabilitation, broadly defined, involves the renovation or rehabilitation of a number of housing units requiring similar repairs under a single contract. At the outset of this study, batch rehabilitation was more narrowly defined as "the process of rehabilitating several owner-occupied homes under some form of common arrangement". This definition was the basis of our initial research.

The "owner-occupied" constraint distinguishes our definition of batch rehabilitation from the more common large-scale rehabilitation of multiple rental units. While the latter form of rehabilitation is not without complications, owner-occupied batch rehabilitation raises unique issues of an economic, legal, technical and administrative nature. Of these issues, the economic issue of cost savings is paramount because these savings provide a major justification to institute a batch rehabilitation scheme. Cost savings may also be an important incentive for both the residential construction industry and the homeowner to become involved in batch rehabilitation schemes.

The objectives of Phase One of the batch rehabilitation project are to determine:

a) The potential of batch rehabilitation to provide economies and benefits to parties involved in the batch rehabilitation process. These parties include the homeowner, the contractor, the delivery agent and CMHC; and,

b) The feasibility of undertaking the batch rehabilitation of individually-owned units under the National Housing Act (NHA) Section 34.1 RRAP program and the degree that such activity can contribute to an increase in industry participation in residential rehabilitation and employment in an area.

3. The Key Assumptions of a Batch Rehabilitation Scheme

Implicit in our definition of batch rehabilitation and in this Study's Objectives and Terms of Reference are a number of expectations and assumptions. These expectations and assumptions motivated our approach to the Study in two ways: first, they provided the focus for our literature review and interviews; and second, they provided a set of criteria for evaluating existing rehabilitation schemes. During our initial research, however, we found that reality did not match two of the key working assumptions of the study:

1) that housing units in a batch rehabilitation scheme would be totally rehabilitated, thereby realizing significant cost savings; and,

2) that batch rehabilitation schemes consistent with our definition existed elsewhere.

With respect to the first assumption, since a primary objective of the Study is to determine the feasibility of adapting batch rehabilitation to RRAP, we originally searched for batch rehabilitation schemes consistent with the RRAP approach to rehabilitation. In such schemes, housing units would be upgraded in a number of

deficiency categories, as is the case with RRAP. These schemes represented the "total approach" form of batch rehabilitation.

Two factors influenced our decision to drop the "total approach" and, as a consequence, the type of batch rehabilitation scheme originally envisioned. First of all, the potential conflict between the common repairs required in the total approach to batch rehabilitation and the diversity of repairs likely to be encountered in the physical housing stock of urban areas of Atlantic Canada favoured a reformulation of our original approach. Furthermore, cost savings in a total rehabilitation scheme appeared difficult to attain in the Atlantic Canada setting. The foreign schemes assessed, as well as the initial interviews undertaken with residential contractors in the Atlantic Region, offered little or no support for a total batch scheme here.

As a result of these difficulties, we shifted to a "systems" approach rather than a "total" approach. The more narrow systems approach concentrates on rehabilitating a single common deficiency in a number of houses. In our opinion, undertaking a limited number of homogeneous repairs using a systems approach increases the potential for cost savings in Atlantic Canada.

The second key assumption was that a review of domestic and foreign forms of rehabilitation would yield schemes with elements in common with RRAP. Our objective was to assess the adaptability of these schemes to RRAP in Atlantic Canada. The applicable schemes would then form the basis of a batch rehabilitation scheme amenable to this area.

We found no shortage of rehabilitation schemes to review. Indeed, private housing renovators and investors,

co-op groups, governments and their agencies all engage in various forms of housing repair where more than one housing unit is rehabilitated. However, projects which involve the rehabilitation of a number of housing units may not, in fact, be examples of batch rehabilitation, as the term is used in this Study. Our review of a number of rehabilitation schemes in Canada, the United States and the United Kingdom found that most of them failed to meet one or more of the following batch rehabilitation criteria:

1) the housing units are owner-occupied;

2) the housing units have common deficiencies in need of rehabilitation or repair;

3) the rehabilitation work is undertaken by a single primary contractor;

Two schemes, one in Barberton, Ohio, the other in Birmingham, England qualify in concept and intent under the batch rehabilitation definition adopted in this study. The characteristics of these schemes, and their transferability to an Atlantic Canada setting, are discussed in Chapter Two. Following this, in Chapter Three, we examine the potential benefits and economies of such a scheme as well as the extent of the market for batch rehabilitation. Chapter Four presents our argument for utilizing a systems approach to batch rehabilitation. The report concludes with our recommendation for the future of the project.

II. Batch Rehabilitation Elsewhere

1. The Literature Review and Interview Process

The literature review and interviews were designed to complement each other throughout the research process. Starting with the bibliography in the Terms of Reference, each of the references listed there was examined in detail to determine if the batch rehabilitation scheme described was, in fact, relevant for this study. This in-depth examination was enhanced by contacting the authors of articles which appeared to have some potential. We undertook this research by way of a telephone survey. A telephone survey has obvious advantages over a correspondence survey and was judged as the optimal method for contacting people. In many instances, those interviewed referred us to:

- authors or researchers knowledgeable of rehabilitation work;
- schemes that had some characteristics of batch rehabilitation but were unlikely to appear in the literature;
- other articles and literature.

Following this procedure, we managed to contact key figures in the field of rehabilitation in Canada, the United States, and the United Kingdom. In addition to these direct contacts, several of the people interviewed checked with their own contacts and sources for information on batch rehabilitation for us. Members of the study team also contacted several people knowledgeable of rehabilitation activity in the Atlantic provinces and solicited their views as to the potential for a successful batch rehabilitation scheme in this part of Canada. A list of the people contacted both directly and indirectly appears in Appendix A.

In addition to our own research, we had the benefit of work done by the Canadian Housing Information Centre (CHIC) at CMHC, the Ontario Ministry of Housing and the firm of Coombes/Kirkland/Berridge in Toronto. Each of these groups has compiled an extensive bibliography on a variety of rehabilitation schemes, including rehabilitation similar to a batch scheme. We also interviewed several people whose names were provided at a January, 1983 meeting at CMHC in Ottawa on batch rehabilitation. CMHC provided several articles to us directly. These articles are referenced in the bibliography of this report.

Following a meeting with CMHC Project Officers on the initial results of our literature review and interview process, it was agreed that some additional telephone interviews be undertaken. Consequently, we contacted renovation officials in New England and Virginia to determine if they were aware of the existence of batch-type programs and to solicit their views on the batch rehabilitation scheme we were considering. Contractors and delivery agents in the Halifax, Nova Scotia area were also interviewed by the project team to test the general acceptability of a modified (systems) batch rehabilitation scheme.

At the same time, we re-contacted our sources in Birmingham, England and Barberton, Ohio. The purpose of this additional contact was two-fold: to fill in some of the gaps in our knowledge of the schemes in place in these locations, and to determine if any developments had occurred in those schemes since our original contact. The follow-up proved to be very fruitful on both counts.

As an adjunct to this study, CMHC Project Officers initiated an investigation of a French scheme which appeared to have the characteristics of batch rehabilitation. Like

many of the schemes we reviewed, the French "renseignements sur la technique du groupage des dossiers" was not directly useful for this Study.

2. Characteristics of Batch Rehabilitation Schemes

The results of our literature review and interviews are probably best summarized by Mr. Joe Gray, the Director of Planning and Redevelopment for the City of Portland, Maine, who stated that "you in Atlantic Canada are breaking new ground with the project you are proposing".

Indeed, batch rehabilitation schemes with an owner-occupied housing component have proved to be very elusive. Based on the literature review and interviews of key rehabilitation officials, we believe that a complete batch rehabilitation scheme that could be easily applied to the Atlantic housing milieu does not currently exist.

During the research phase of this project, we reviewed rehabilitation schemes in terms of our definition and the set of broader criteria developed from the project's Terms of Reference. These criteria describe essential characteristics of batch rehabilitation schemes and are summarized in the following six categories:

- administrative arrangements
- contract management
- program procedures
- the role of government
- the role of industry
- the role of the owner-occupant

These criteria are generally more specific than the definition of batch rehabilitation defined in Section 1.2. Schemes that failed to satisfy the definition of batch rehabilitation were not evaluated against the above criteria.

If a scheme satisfied the definitions and the criteria, it was assessed for its applicability to the urban Atlantic Canada housing market. Although not always explicit, the potential of batch rehabilitation to provide economies and benefits was considered during all aspects of the research, and in particular when evaluating domestic and foreign rehabilitation schemes.

Only two batch rehabilitation projects were judged potentially useful for the purposes of this Study - the projects located in Barberton, Ohio and in Birmingham, England. Our assessment of these two schemes follows. Additional information on the two schemes is presented in Appendix B.

2.1 Home Repair Co-Ops, Barberton, Ohio

Introduction and Background

Barberton is an industrial town of about 29,000 persons, located near Akron, Ohio. The town's housing stock is predominantly single-family homes, about 55 percent of which are owner-occupied.

The Barberton scheme functions in a neighbourhood context. The neighbourhood that is currently active in the scheme comprises about 650 housing units, with about 550 of these being single-family homes. The Barberton form of batch rehabilitation essentially consists of a number of small-scale repair cooperatives which form for a specific repair, then disband once the task is completed. The schemes are small both in terms of the number of participants (5-30) and the number and costs of items upgraded or rehabilitated. Typical projects include furnace tune-ups, insulation and storm window upgrading and the installation of concrete

driveways and walkways. During the summer of 1983, a roofing co-op was organized. However, such large projects are usually considered beyond the scope of the program. Officials who organized the roofing co-op indicated some difficulty in generating interest among homeowners for the scheme. As the roofing co-op was underway at the time our research was completed, additional information is not available at this time.

Administrative Arrangements

The Barberton home repair co-ops are organized by the Neighbourhood Conservation Services (NCS), a non-profit group which began operation in Barberton close to 5 years ago. NCS currently receives 100 percent of its funding from the City of Barberton, which in turn receives funding from the state under HUD's Community Development Block Grant program. NCS has a staff of 4 people, 2 of whom are inspectors/liaison officers.

NCS provides a number of housing-related services, including the home repair co-ops. NCS is unique, not only in the community, but in the country as well. Although there has been a great variety in the number of American federally-funded rehabilitation programs, governments or other private groups do not operate any similar type of rehabilitation scheme, to the best of our knowledge.

There are three concerned parties in each rehabilitation scheme, each with their own roles and responsibilities, as follows:

a) NCS

- acts as the delivery agent;
- chooses the specific repair to be undertaken;
- solicits homeowner support for the scheme;
- may provide some financial assistance, but this is very rare;
- designs contact, and chooses contractor through bidding process;
- monitors the work undertaken;
- negotiates and arbitrates disputes between contractor and homeowner.

b) The Contractor

- provides cost estimates to both NCS and homeowner for work to be done;
- must be registered with NCS in order to be considered for batch rehabilitation work;
- negotiates particular terms and cost of work with homeowner.

c) The Homeowner

- must register with NCS for each repair co-op;
- negotiates contract with contractor;
- is generally responsible for their own financing arrangements, although NCS may assist if necessary.

Some elaboration on the latter point is necessary. Generally, due to the low cost of work undertaken and the high degree of self motivation in the area, the homeowner finances the work directly without credit. Occasionally, if required, NCS assists homeowners in obtaining credit, including lower interest loans at local lending institutions. NCS also has low-interest loans available for those ineligible for credit. Senior citizens who satisfy certain conditions are eligible for deferred loans from NCS. These loans have no interest or monthly payments for various time periods, depending on need.

Contract Management

Although individual contracts are negotiated between the contractor and the homeowners, contract management is the responsibility of NCS. However, NCS is not legally a party to the contracts and assumes no liability for the work, the contractor or the homeowner. Due to the small size of the contracts to date, bonding is not required.

The inspectors/liaison officers at NCS have many years experience in cost-estimation. They inspect the work to be completed prior to bidding and estimate the potential costs. Price escalation is generally a matter between the contractor and the homeowner. In cases where a settlement to a cost dispute is not readily forthcoming, NCS will arbitrate.

Program Procedures

NCS, in association with Neighbourhood Improvement Committees, holds monthly meetings to discuss neighbourhood revitalization. At this time potential repair or rehabilitation projects are proposed, either by NCS, the Committee, or by homeowners in the area. NCS investigates the feasibility of the project and, if feasible, solicits participants through its monthly "Good Neighbours" newsletter.

NCS will, if required, conduct a formal bid process to provide competitive prices. In most instances, NCS selects a contractor based on its experience with the contractors in the area.

NCS, in preparing the contract, provides detailed specifications for the work to be performed. In some cases,

the individual homeowner may wish to have additional work not related to the repair scheme completed by the contractor. If necessary, NCS will assist in contract amendments.

NCS has quality standards and guidelines which must be met by the contractor. Quality workmanship is ensured by thorough on-site inspection by NCS staff. Work quality guarantees are between the contractor and homeowner, although NCS will arbitrate disputes. In the case where the contractor is at fault, NCS may ultimately refuse the contractor future NCS work.

Since the Barberton rehabilitation projects are generally of a small scale, work scheduling is generally not a problem, except in the case where there are a large number of participants. Even so, the maximum participation in any scheme to date is less than 30 homeowners, and in such cases, projects may last several months at most. Work is usually scheduled on a first-come-first-served basis, and homeowners are made aware of when to expect work to begin on their homes.

The Role of Government

At present, the federal government, through HUD, provides 100 percent of the funding for NCS under the Community Development Block Grant (CDBG) program. NCS is one of 185 CDBG funded programs. Under the CDBG program, general guidelines are established for the operation of NCS. CDBG funding is allocated through the state government, then the county, and finally, to the municipal government (to NCS).

The municipal government, in addition to administering NCS's funding, also appoints City officials to the Board of Trustees for NCS. Local lending institutions

and residents also participate in the governing of NCS. The municipal government enhances the work of NCS by undertaking capital improvements in the neighbourhoods where NCS is active. It should be noted that repair co-ops are only one of a number of services NCS provides.

Government participation and intervention through building/rehabilitation code enforcement is indirect. The standards used by NCS are approved housing standards. Maintenance and occupancy standards enforcement is not part of the mandate of the NCS repair co-ops. Home inspections are undertaken by NCS staff in a separate scheme, but our information indicates this is a community service, not a mandatory inspection.

The Role of Industry

The housing industry has responded positively to the Barberton form of batch rehabilitation. Due to the nature of the work undertaken in typical rehabilitation schemes, and the nature of the contractual arrangements, barriers which prevent the industry from participating in batch rehabilitation do not appear to exist. In other words, since the rehabilitation schemes are small scale, and given that the contractual arrangements are between the contractor and homeowners, a batch rehabilitation scheme becomes, in effect, a series of somewhat identical repair projects. Because the rehabilitation is small scale, and does not include major elements of the building components, there are no major "unknowns" such as structural problems in the NCS repair scheme. Industry participation appears limited to small local firms, primarily as a consequence of the project size. The scheme does not appear to generate any incremental employment.

The NCS rehabilitation schemes offer a number of incentives and benefits to the housing industry in Barberton:

- Participation in a batch rehabilitation scheme provides contractors with a specified volume of guaranteed work;
- Material suppliers are guaranteed a specified volume of sales;
- The cost and volume of work for individual jobs in a batch rehabilitation scheme is somewhat flexible, subject to negotiations between the contractor and homeowner;
- Completing work for a homeowner may provide a "foot in the door" for additional work;
- NCS approval of a contractor provides the contractor with a measure of respectability.

Material suppliers do not play a major role in the financing of batch rehabilitation schemes. Occasionally, suppliers will allow a 90-day period before the homeowner must pay for supplies. However, this assistance is not dependent on whether the purchaser is part of a batch rehabilitation scheme. Some batch rehabilitation schemes involve only the bulk purchase of materials, in which case the material supplier is the contractor.

In the schemes involving the bulk purchase of materials, self-help labour may be the only labour supplied. In schemes where both goods and services are provided, it is up to the individual and the contractor to negotiate over the inclusion of self-help labour. Generally, the contractor supplies both labour and materials.

The Role of Owner Occupants

Homeowners are generally receptive to batch rehabilitation schemes in Barberton, although receptivity to

various schemes has always been modest. Homeowners participate in a batch rehabilitation project for two reasons:

1) the homeowner has repairs that must be completed; and,
2) the homeowner saves money by participating in a batch scheme.

This latter reason is the primary incentive and benefit for homeowner participation in batch rehabilitation projects in Barberton. Through bulk purchases of labour and materials, homeowners in Barberton have achieved cost savings on the order of 20-40 percent on specified projects. The storm window co-op, for example, saved participating residents about 20-25 percent of the total cost of storm window installation. NCS indicated that cost savings are dependent on the type of project and the number of participants. Savings may accrue from either labour or materials, depending on the project.

Several other incentives encourage homeowner participation in the NCS batch repair schemes. These incentives relate more to the involvement of NCS rather than to participation in batch rehabilitation per se. The assurance of a quality product from an NCS approved contractor, NCS inspection of the work being undertaken, and NCS arbitration of any disputes undoubtably encourage homeowner participation. The potential for negotiating an individual contract with the contractor is also an incentive for homeowners.

According to NCS, the greatest barriers to batch rehabilitation are:

- the size of the neighbourhood;
- the difficulty of finding sufficient people with the same need;
- the fact that in some neighbourhoods, significant rehabilitation may have already occurred.

These barriers are inter-related and raise important issues for any Atlantic Canada scheme. The neighbourhood where NCS is currently administering batch rehabilitation schemes numbers about 550 homes. NCS feels that this is too small an area in which to operate a batch repair scheme. Many homeowners do not have the same needs and the self-help spirit of independence also limits the potential number of participants in that area. NCS also made the point that, in their opinion, batch rehabilitation in an area where previous rehabilitation work had occurred should be avoided. This work invariably limits the number of units requiring repair, thereby decreasing the effectiveness of the scheme.

2.2 Envelope Housing: Birmingham, England

Introduction and Background

a) The National Scene

Enveloping is the renovation of the exterior of dwellings which have deteriorated beyond the scope of routine maintenance.* The form of batch rehabilitation known as envelope housing or, more simply, enveloping, began in Birmingham in 1977 where it was refined in an experimental program lasting five years. In late 1982, enveloping became a national housing program in Britain. At the time of the

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* HMSO, Improvement of Older Housing: Enveloping, p 1.

announcement, 28 envelope schemes costing £13.5 million had been approved nationally; in Birmingham, over 2,000 houses had been enveloped.*

Information is virtually non-existent on envelope schemes in areas of Britain other than Birmingham. This lack of information is primarily a consequence of the newness of enveloping in the United Kingdom. While small scale schemes of less than 100 units have been completed, our information indicates officials believe that such smaller schemes should be undertaken primarily as part of a larger scheme or as part of "mopping up" in an area.** Implicit in this view of small batch rehabilitation projects is the belief that small projects by themselves do not have a measurable effect on neighbourhoods. Furthermore, our British sources indicated that small schemes are "extremely expensive" and "cost savings are unlikely with 20 units or less".*** It should be

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* Community Forum, Are You Being Enveloped, p. 52.

** See H.M.S.O., Improvement of Older Housing: Enveloping, para. 4; Community Forum, Are You Being Enveloped?, pg. 5.

*** Remarks by Andy Thomas, in an interview with W. Collins, July 28, 1983.

noted that neighbourhood preservation, not cost savings, is the primary motivation for enveloping in Britain. Enveloping schemes must be located in Housing Action Areas, the British equivalent of designated areas.

b) Birmingham

Birmingham, the second largest urban centre in England, has a metropolitan population of 2.4 million people and a housing stock vastly exceeding that of any urban centre in the Atlantic provinces. When the form of batch rehabilitation known as "envelope housing" began in 1977, nearly 100,000 pre-1919 housing units required extensive repairs.

Enveloping in Birmingham grew out of the realization that single unit rehabilitation, or "pepper-potting" as it is sometimes called, was inadequate.* Homeowners were unable to afford repairs, even with government assistance. Evidence showed that rehabilitating individual units had virtually no effect on a neighbourhood. Furthermore, a major disincentive for homeowners to participate in such schemes was that property values rarely increased sufficiently after improvement to support a loan to meet the owner's contribution.**

Batch rehabilitation in Birmingham involves the rehabilitation of large numbers of owner-occupied row housing units. In fact, envelope housing is fundamentally a large scale batch rehabilitation scheme with typical projects numbering in the hundreds of units. The potentially large

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* Community Forum, Are You Being Enveloped?, p. 52.

** City of Birmingham, para. 2.3.

rehabilitation market, the uniformity of the dwellings requiring rehabilitation and the need to undertake the rehabilitation as quickly, efficiently and cost effectively as possible are all factors which contribute to the success of batch rehabilitation in Birmingham. Enveloping produces immediate visual improvements in a neighbourhood, resulting in renewed confidence and investment by homeowners and by financial and commercial enterprises.

Enveloping involves rehabilitating only the exteriors of dwellings. Common rehabilitation items include roofs, windows, chimneys and the exterior cladding of the dwellings. Homeowners who participate in an envelope scheme are strongly encouraged to apply for loans and grants to complete the interior rehabilitation of their homes. Enveloping is a strong incentive for interior rehabilitation, which usually occurs subsequent to enveloping. The strong positive influence enveloping has on the take-up of interior loans is considered by governments as one of the benefits of enveloping. In making application to the central government, municipalities must indicate how they propose to encourage the interior rehabilitation of units.

Administrative Requirements

Batch rehabilitation was initiated by the City of Birmingham when it became clear that the traditional method of rehabilitating a number of individual units was not preventing the overall decline of neighbourhoods. At the same time, the recession of 1977 had greatly disrupted the construction industry in the country. The central government in Britain introduced a £100 million program to rejuvenate the industry. Birmingham used £2 million to develop the forerunner of envelope housing. Envelope housing was seen as

a method of improving the housing stock and stimulating the construction industry.

The City of Birmingham assumes the prime role in the envelope housing scheme, and acts as the delivery agent as well. Funding for the program is cost shared 75 percent - 25 percent by the central government and Birmingham.

Program Procedure and Contract Management

Before proceeding to the contractual stage of an envelope housing project, a great deal of preparatory work must be completed by the municipality. In Birmingham, this preparatory stage now takes about one year.

If not already completed as part of the requirements of the Housing Action Area, a detailed survey of every house in an envelope scheme must be completed. Site plans, typical unit plans, and a specification of the work to be done must be submitted to the central government to obtain approval to proceed. This work is undertaken by the Project Team which, in Birmingham, is comprised of a project manager, an architect, and a clerk of works (or site superintendent). These officials set up a field office on the project site and work full-time on the project from start to finish. The project team is totally responsible for the operation and supervision of an envelope project.

To avoid delays, Birmingham has developed a standard contract for envelope housing. The contract encompasses the standard elements of an envelope scheme to ensure rapid implementation and administration. Simple documentation including information on each individual property is issued to the contractor. Since items requiring work may become obvious only when the work has proceeded, a

substantial contingency fund is included in each contract. According to the City of Birmingham, "normal contract procedures are followed in the execution of work, as for any major construction [project]".*

The City of Birmingham is the delivery agent for enveloping schemes. It administers the program, sets targets for rehabilitation, chooses areas to be rehabilitated, prepares the contract, chooses the contractor, and monitors the work being undertaken. The City is also responsible for all financial arrangements, before, during and after rehabilitation. From the homeowner's viewpoint, envelope housing is 100 percent subsidized; no costs are incurred by the homeowner who participates in a batch scheme.

The Role of Government

Batch rehabilitation in Birmingham is entirely funded by government on a cost-shared basis. The central government supplies 75 percent of the funding and the City of Birmingham the remaining 25 percent. It is felt by some that the share of funding borne by the municipalities may discourage all but the larger municipalities from participating in batch schemes. We have no information on this speculation since the national program is really just beginning.

Envelope housing activity and funding is significant in Birmingham. In recent years, some 2,000 units were renovated in Birmingham annually. Funding for the envelope scheme in Birmingham alone is in excess of £20

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* City of Birmingham, para. B.7.

million this year. This funding is exclusive of any interior work packaged through interior rehabilitation programs.

In spite of these costs, the government feels that the benefits of batch rehabilitation are significant. According to one source, cost savings may range from 20-50 percent of the costs if work were undertaken separately. However, we have not been able to officially obtain the value or volume of cost savings in envelope schemes. Furthermore, it is doubtful whether the units which required rehabilitation could have been saved from demolition without a batch-type scheme, due to the high costs and sheer volume of work involved.

Birmingham participates in envelope housing through the area's building and rehabilitation code as well as through maintenance and property standards enforcement. Work in this area allows Birmingham to identify areas of "housing stress" suitable for batch rehabilitation.

The Role of Industry

The residential construction industry in the United Kingdom has been a strong supporter of enveloping schemes from their inception in Birmingham in 1977. In fact, the original Birmingham envelope scheme received £2 million from the central government as part of its £100 million stimulus to the construction industry in 1977. According to the Community Forum, a federation of residents and tenants associations, in Birmingham, the construction industry realized the significant potential for enveloping at the outset. The industry lobbied the central government for

nearly five years before a national enveloping program was introduced in late 1982.*

One of the original objectives of envelope housing in Birmingham was to draw large national firms into the rehabilitation market. The positive response of the industry is ample evidence of the success of this objective. According to one of our sources, the industry in Birmingham is facing a shortage of both skilled labour and certain materials due to the high volume of rehabilitation work.

National construction companies engage in envelope housing in Birmingham in two ways:

1. as primary contractors who sub-contract the actual work; or,
2. as total project contractors who administer a project and undertake the actual construction work.

The former approach appears to be the most common at present. The involvement of national companies in enveloping was expected to result in high quality workmanship achieved in a minimum period of time. It has recently been suggested that the high degree of sub-contracting has resulted in some loss of quality and increased levels of administration.** Self-help labour is not permissible in the enveloping schemes.

Birmingham spends considerable effort in developing accurate cost estimates for enveloping projects. Currently,

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* Community Forum, p. 53.

** Community Forum, p. 52.

any tender call for an envelope scheme includes a variety of information to assist potential contractors bidding on a scheme. Standard contract documentation consists of "standard detailed drawings in most cases, full survey and design information, quantities based on generic house types, and the amount of firm measured quantities".* Provisional sums have been reduced. The lead-in time for a batch project is now just over 12 months.

The Role of the Owner-Occupant

Although the vast majority of units rehabilitated in envelope schemes in Birmingham are owner-occupied, the homeowner appears to have only a minor role in the rehabilitation decision-making process. The City assumes the role of primary decision-maker and delivery agent. The feeling of not having enough involvement in the process has resulted in homeowners forming an association to liaise with government on batch rehabilitation. The residents' association, known as Community Forum, has published a report on batch rehabilitation which gives the pros and cons of batch rehabilitation from the homeowners viewpoint.

The greatest incentive for homeowners to participate in a batch rehabilitation scheme in Birmingham is the financial incentive: from 90 to 100 percent of the cost of renovation is paid by government. The homeowner may also apply for a grant to cover up to 75 percent of interior repairs. Prior to instituting the envelope scheme, officials in Birmingham had experienced less than satisfactory take-up in rehabilitation grants. When coupled with envelope housing schemes, participation in the interior rehabilitation schemes has improved.

** Architectural Journal, December, 1982, p. 75.

3. Transferability of Experience

Potential Benefits in Foreign Schemes

The batch rehabilitation schemes that we investigated in the United States and the United Kingdom differ in characteristics such as objectives, magnitude, types of repairs, levels of funding and administration. Given these differences, it seems likely that any scheme developed in Atlantic Canada will differ from foreign programs. However, in spite of these differences some aspects of foreign experience may be adapted for use in an Atlantic Canada batch rehabilitation scheme. While bearing in mind these differences, this section examines foreign batch rehabilitation schemes to assess which characteristics have potential application here. Exhibit II-1 summarizes the characteristics of the Birmingham and Barberton schemes.

The benefits of foreign batch rehabilitation schemes are appealing and salable to government, to the residential construction industry and to homeowners. In the two schemes we investigated in depth, government acts as the delivery agent either directly or through a non-profit group. The British government views batch rehabilitation as a technique which prevents large scale deterioration of housing units in entire neighbourhoods, thus obviating the need for massive public acquisition and/or demolition. In spite of the high costs of the program, in the longer term, better value for money is achieved by rehabilitating rather than demolishing. In Birmingham, cost savings are achieved in the shorter term through decreased administrative costs. Batch rehabilitation, when carried out on a large scale, as in Birmingham, produces a visual effect that is an expression of

Exhibit II-1: A Summary of Batch Rehabilitation in Birmingham and Barberton

Characteristics	Barberton	Birmingham
Housing Type	Single Family	Row Housing
Project Size	5-30 Units	275-300+
Project Cost	$5,000 max to data	£1 Million on Average
Delivery Agent	Non-Profit Group	Municipal Government
Average Cost/Unit	Varies, generally never exceeds $500	£4,000-£5,000
RRAP-Type Work	No	Yes
Individual Financing Source	Private	Government
Subsidies	Almost Never	Always
Project Duration	1-3 Months	1-3 Years
Cost Savings	Yes	Yes
Tenders Required	No	Yes
Large Construction Firms Involved	No	Yes
Self-Help Labour	Yes	No
Income Groups	Middle	Low-Middle

Source: Compiled from interviews and literature review.

confidence in an area. This renewed confidence leads to a general strengthening of a community.

Another benefit of batch rehabilitation that is shared by both the government and the construction industry is the provision of employment in the industry. In both Birmingham and Barberton, the volume aspect of batch rehabilitation is an incentive for industry participation. In Birmingham, for example, envelope schemes range in size from 275-300 units, employ several hundred skilled tradesmen for periods sometimes exceeding one year, and have contracts valued in excess of £1 million.*

In spite of the potential for disruption to routine, particularly in envelope-type schemes, batch rehabilitation schemes are generally appealing to homeowners. The most salable feature to homeowners is that of being able to improve their homes at a reduced cost.

In Barberton, cost savings are the major incentive for homeowner participation in a batch rehabilitation scheme. However, while homeowner savings appear significant when expressed in percentage terms, the small scale of the Barberton schemes typically results in average real savings of less than $100. The magnitude of cost savings is in part determined by the nature of the project.

In Birmingham, envelope housing schemes are undertaken at no cost to the homeowners. The entire cost of envelope housing, which averaged £4,000-£5,000 per dwelling in 1981, is borne by the government.**

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* City of Birmingham, The City of Birmingham Envelope Scheme: Monitoring Report, 1981, para. 3.8-3.9.

** City of Birmingham, para. 3.4.

Objectives of Foreign Batch Rehabilitation Schemes

In order to maximize the benefits of batch rehabilitation in Atlantic Canada, closer examination of the features of American and British schemes is warranted.

The objectives of the British scheme are best satisfied when all housing units in a scheme are of the same unit type and in the same neighbourhood. According to a report by the City of Birmingham,*

> "The size of the area selected should be such as to ensure external renovation on a scale that will transform the entire environment. An isolated terrace [row housing] of improved dwellings no more benefits an area than the improvement of one individual house improves a terrace."

British documents also suggest that envelope schemes should encompass between 275-300 units in order to obtain the greatest benefits. Projects of this size attract large, high quality construction firms, employ architects and other professional staff, reduce administration costs and ensure that work is completed quickly. Cost savings on materials are also achieved.

The American scheme is less rigid in application but still implicitly requires that participants be in the same neighbourhood. Furthermore, all work undertaken in the repair schemes must be of a similar, though not necessarily identical, nature.

** City of Birmingham, para. A.3.

The goal of neighbourhood revitalization, which is prominent in both foreign schemes, necessitates an urban rather than rural context of any batch rehabilitation scheme. The desire to rehabilitate either identical housing units or housing units with similar deficiencies in close proximity to one another also precludes rural areas.

The choice of a location for a batch rehabilitation project within an urban area must be carefully made. According to Birmingham's experience, the selection must be based not only on housing conditions and market size, but on features such as the desire of the residents to improve their homes, and the existence of an identifiable community with amenities either existing or proposed.*

Officials in both Birmingham and Barberton and a British government document on envelope schemes** stress that <u>any area selected for a batch rehabilitation scheme should not have previously received home improvement loans</u>. Their experience has been that previous exposure to rehabilitation schemes in an area limits the potential market for batch rehabilitation schemes. This restriction has serious implications for any batch rehabilitation scheme contemplated for RRAP designated urban areas in Atlantic Canada where a great deal of rehabilitation work has already occurred.

<u>Administrative Arrangements</u>

The Barberton home repair cooperatives are part of one program in 185 that comprise one section of HUD's

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* City of Birmingham, para. A.1.

** H.M.S.O., Department of the Environment, <u>Improvement of Older Housing: Enveloping</u>, 1982, Appendix B.

Community Development Block Grant program. On a national scale, the project's small size has relatively insignificant federal financial implications. In Britain, on the other hand, enveloping has recently become a national housing policy. All local governments may now submit plans for enveloping to the central government, which subsidizes 75 percent of all enveloping costs. The cost implications of envelope housing, where each scheme of 300 units may well exceed £1 million, is causing some anxiety in the Treasury, according to one of our sources. Given the popularity and advantages of the program, however, the longer term implications for enveloping are not clear at this time. Undoubtably, envelope housing is unlikely to proceed without a high degree of government financial sponsorship. On the other hand, the City of Birmingham argues that the alternative to batch rehabilitation is a return to the large scale demolition projects of the past.

Given the strong dependence by foreign batch rehabilitation schemes on government assistance, it seems unlikely that any batch rehabilitation scheme designed for Atlantic Canada could exist without extensive government financial support. The nature and extent of the assistance is, in part, a function of the design and size of the batch rehabilitation scheme. However, if batch rehabilitation is developed as part of RRAP in Atlantic Canada, it would likely have to conform to existing funding levels.

Both the Birmingham and Barberton schemes operate at the grassroots level, with a minimum of forms, procedures and administrative detail. Indeed, this simplicity is seen by their proponents as one of the major benefits of foreign batch rehabilitation schemes.

Several examples of this simplicity exist: (1) municipalities in Britain are required to complete only a one page 15-question application in order to have an envelope housing scheme approved by the federal government; (2) homeowners in Birmingham sign a one page indemnity when participating in an envelope housing scheme. On the other hand, an application for an interior improvement loan, which is not part of an envelope housing scheme, requires a massive amount of documentation; and, (3) in Barberton, homeowners and contractors negotiate a brief, yet concise contract.

Since there are no loans to homeowners in either the Birmingham or Barberton schemes, there is no need for a homeowner loan administration procedure, nor a homeowner loan advance system.

Contracting Arrangements

Contractors in Barberton are paid by homeowners when the work is completed. This procedure is a consequence of the small scale of the Barberton projects. In Birmingham, to the best of our knowledge, contractors are disbursed funding according to a project schedule.

There is no tendering of contracts in Barberton. In Birmingham, tenders are called after a detailed assessment by the City's staff of any proposed envelope project. This assessment involves a detailed housing survey of every unit within a neighbourhood. Detailed plans and cost estimates are then prepared. The time involved from selecting an area for an enveloping scheme up to the actual awarding of a contract takes about twelve months. Given the volume of necessary preparatory works, officials in Birmingham are quite pleased with the lead time in envelope projects.

Contracts awarded in Birmingham average £1 million. According to Birmingham officials, the contracts used in enveloping have been standardized on the basis of five years experience. Although detailed, the document is straightforward. Since the owners of the units are not a party to the contract, cost adjustments can be made on site by the project architect. A substantial contingency fund is included in the contract for such purposes.

Productivity Enhancement

We are unable to accurately assess whether or not productivity is enhanced in the Barberton schemes. Apparently, undertaking repairs on a large number of similar units with similar repairs increases productivity in Birmingham. Envelope housing is certainly easier to administer than individual schemes. According to a study by the City of Birmingham, the average administrative cost of enveloping 1,700 houses was £437 per dwelling. On the other hand, administrative costs for 785 individual improvement grants were approximately £1,300 per unit on average. However, recent evidence from the Community Forum indicates that administrative costs may be increasing due to the high degree of sub-contracting.*

There is a strong temptation to view the administrative simplicity and significant cost savings in foreign batch rehabilitation schemes, particularly in Birmingham, as being attainable in a batch rehabilitation scheme designed for Atlantic Canada. While it may be possible to incorporate features of foreign schemes, the circumstances and markets in which foreign batch rehabili-

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* Community Forum, p. 52.

tation schemes operate should not be overlooked. The large market of row housing units, the total financial support of government and the "total exterior rehabilitation" aspect of envelope housing are the primary reasons for Birmingham's success in envelope housing. The small scale of the work undertaken, the flexibility of the system and the self motivation in the Barberton schemes have a strong influence on the successes achieved there. Needless to say, the strong commitment by governments, the industry and homeowners in both areas to the rehabilitation of older housing is an important factor in the success of batch rehabilitation.

III. Batch Rehabilitation in Atlantic Canada

In the previous chapter, we reviewed in detail two kinds of foreign batch rehabilitation schemes and assessed their potential transferability to the Atlantic Canada urban rehabilitation market. In this chapter, we examine more fully the potential benefits and the feasibility of a batch rehabilitation scheme in the Atlantic area. In considering the development of a batch rehabilitation scheme for the Atlantic area, some foreign experiences may be useful.

In our opinion, however, batch rehabilitation here is a unique concept, unlike foreign schemes in a number of ways. This chapter examines the potential difficulties, economies and benefits of batch rehabilitation in Atlantic Canada, as well as the feasibility and the employment impacts of such a scheme. In setting the scene for a batch rehabilitation scheme, we consider who might benefit from batch rehabilitation, and the nature of the benefits. We then examine batch rehabilitation in the context of the existing rehabilitation market in Atlantic Canada, as we see it.

1. Potential Economies and Benefits of Batch Rehabilitation in Atlantic Canada

One of this study's primary objectives is to determine the potential of batch rehabilitation to generate economies and benefits for CMHC, delivery agents, the residential construction industry and homeowners in Atlantic Canada. Direct evidence of the potential economies and benefits is available for only some of these groups. The following discussion examines the potential of batch rehabilitation from the point of view of each of the concerned parties in a batch rehabilitation scheme.

CMHC

From a broad perspective, there are a number of potential advantages for CMHC from a batch rehabilitation scheme. Batch rehabilitation could be used by CMHC to stimulate both the housing market and the residential construction industry in times of depressed housing market activity. As a short-term stimulus, batch rehabilitation might be used to partially offset the natural seasonality that occurs in the industry each year. The technique could also be used to provide attention to specific communities where industry employment has been judged to be a priority.

The long-term requirements for new housing units in Canada are declining, and the future demand for the rehabilitation and renovation of the existing housing stock is growing. Batch rehabilitation may have the potential to both educate the industry to the growing rehabilitation market, and to assist it in the actual shift to this new source of work.

Batch rehabilitation may be a more effective means of improving housing quality and neighbourhoods by increasing the volume of rehabilitation work in certain areas. This certainly seems to be the case in Britain, where individual rehabilitation of housing units to meet government objectives is now generally viewed as inadequate. By improving a greater volume of the housing stock, batch rehabilitation may lead to a reduction in administration costs and a more efficient use of federal financial resources. In this light, batch rehabilitation, as a feature of RRAP, may contribute to the evolution of the program.

The potential benefits of batch rehabilitation certainly seem to have been realized in Britain, where the experimental envelope housing scheme developed in Birmingham was recently implemented nationally. However, circumstances differ considerably between the Birmingham situation and that of Atlantic Canada. For example, enveloping in Birmingham typically involves projects numbering from 200-300 housing units, each requiring similar repairs. Project costs are in excess of £1 million, paid entirely by government. Batch rehabilitation in Atlantic Canada is unlikely to attain the scale of the Birmingham scheme. Furthermore, full government funding, a significant factor in the Birmingham scheme, goes well beyond the financial support offered by RRAP. Thus, in our view, the potential for neighbourhood improvement effects from batch rehabilitation are limited in Atlantic Canada. On the other hand, batch rehabilitation may be a useful tool for stimulating and redirecting activity in Atlantic Canada housing markets.

The Delivery Agent

The research framework for batch rehabilitation in Atlantic Canada envisions RRAP delivery agents in the urban municipalities of the region administering the program. At the outset of this Study, certain economies and benefits were hypothesized for delivery agents participating in batch rehabilitation. In order to test these hypotheses, we interviewed several delivery agents. Following comments from CMHC Project Officers, and some changes in the original concept of batch rehabilitation, we conducted an additional set of interviews with several urban RRAP delivery agents in Nova Scotia. Their comments and perceptions of the potential economies and benefits provide an important perspective on the feasibility of a batch scheme delivered as part of RRAP.

The delivery agents we interviewed were generally skeptical of batch rehabilitation. Their skepticism arises not only from their perception of the effects of batch rehabilitation on delivery agents, but on the industry and homeowners as well. In their view, the concept of batch rehabilitation was "interesting", but they doubted both the potential benefits and the feasibility of such a scheme in the owner-occupied housing stock of the region. More specifically, delivery agents anticipated that problems of a legal, administrative and economic nature might present serious obstacles to a batch scheme here.

Legally, the question of liability during and after the completion of a batch rehabilitation project was raised by several delivery agents. One official also raised the potential difficulty of "public tendering on private land". Foreign schemes offer little guidance on these aspects at present.

Delivery agents were apprehensive of the administrative commitments that batch rehabilitation may require. For example, the possible shift from a "performance" to a "prescriptive" standard (likely to be required in a tendering scheme) would, according to one delivery agent, require more detailed specifications than RRAP presently requires. Furthermore, preparation of such specifications may require more technically competent staff resources. These particular objections may, however, be reasonable in a "total" rather than a "systems" approach, in our view.

Administrative costs may increase as a consequence of greater requirements for monitoring and inspections. While this may not necessarily be the case, it is not clear

whether or not administrative cost savings will be achieved, given the potentially small scale of batch rehabilitation projects likely in an Atlantic scheme. In areas other than the larger municipalities of the region, additional administrative work may exceed the capabilities and the capacity of delivery agents.

Delivery agents felt that batch rehabilitation schemes have the potential to hurt the small contractors who currently do the bulk of RRAP work in the region. These contractors may find themselves either unable to administer a batch scheme, or to cope with a larger volume of work. On the other hand, if batch rehabilitation schemes appeal only to larger construction firms, costs may increase due to the generally higher levels of overhead in larger firms. The City of Halifax now uses a kind of "batch" scheme for sewer and water hook-up in the Spryfield area. They report that cost savings are modest. Costs could also increase if self-help labour, now occasionally used in RRAP, were eliminated from batch schemes.

The delivery agents interviewed believe that financial incentives would have to be attractive to encourage homeowner participation in a batch rehabilitation scheme. This point is noteworthy; it is similar to what Birmingham discovered in practice. Only by offering enveloping for free could that City encourage strong take-up in internal repair loans and grants. Since cost savings are dependent on the volume of homeowner participation, incentives to encourage participation in batch rehabilitation schemes are important elements of a scheme.

Some delivery agents expressed concern about the market for batch rehabilitation in the region, particularly if schemes are restricted to designated areas. We understand

that the City of Halifax is presently undertaking an in-depth study of the remaining volume of rehabilitation work, to be completed in its designated areas. When completed, this work may offer a good indication of the batch rehabilitation market in Halifax. The extent of the market in other areas of Atlantic Canada is not presently known.

To sum up, delivery agents feel that there are many uncertainties associated with batch rehabilitation, and that these uncertainties are difficult to answer in the abstract. According to one official, there are no real answers as to who benefits in a batch scheme. Furthermore, the likelihood of a systems approach to batch rehabilitation and the small number of units per project, delivery agents felt that batch rehabilitation may not really be indistinguishable from RRAP.

The Residential Construction Industry

Batch rehabilitation practiced in foreign schemes has a number of positive influences on the residential construction industry. Based on these schemes, other research information and interviews with delivery agents and the construction industry, we hypothesized several benefits for the industry in an Atlantic batch scheme.

The two main incentives for industry involvement in a batch rehabilitation scheme are cost savings and employment generation. The cost savings aspect is dealt with in more detail in Chapter IV. At this point, we shall only note that cost savings may be possible in a batch rehabilitation scheme here. The allocation of the savings between labour and materials is not clear, however.

By providing steady work for a longer period of time than RRAP work does, batch rehabilitation may provide some stability to the industry. However, there is no evidence to suggest that small scale batch rehabilitation increases employment; it only redistributes employment over time. A study undertaken by the Sydney, Nova Scotia office of CMHC gives evidence of the employment impact of RRAP, but it is not possible to conclude from this basic overview that batch rehabilitation would increase employment.

Our conclusion after reviewing probable types of schemes and the number of units likely in such schemes is that no significant incremental employment generation can be anticipated from a batch rehabilitation scheme as compared with the current RRAP.

Batch rehabilitation may not be amenable to small contracting firms. As discussed earlier, these firms may not be able to compete for batch rehabilitation work. On the other hand, there may be some potential of using small contractors as sub-contractors to larger firms in a batch rehabilitation project. This scheme may result in a general improvement in the skill levels of the small firms. Projects would have to be of a sufficient magnitude to attract large firms, however, and this may not be the case in a batch rehabilitation scheme here. However, implicit in a batch scheme is the fact that contractors who successfully bid on batch schemes have adequate experience and skills necessary for renovation work. As a consequence, courses such as CMHC's Rehabilitation Skills Training should not be necessary.

The Homeowner

Batch rehabilitation offers the homeowner the possibility of obtaining better quality work, completed by approved contractors, with some cost savings at the same time.

Cost savings are primarily a function of the type of work, the uniformity of work, and the number of participants in a batch scheme. Another essential requirement for homeowner cost savings is that a contractor must not only be able to achieve a sufficient degree of savings to pass some price reductions on to the homeowner, but there must be some incentive to pass these savings on to the homeowner.

In spite of using a systems approach, batch rehabilitation schemes are likely to be small in Atlantic Canada. Cost savings for homeowners are ultimately indeterminate without an actual scheme to measure savings. Chapter IV discusses the magnitude of cost savings in greater detail.

In Birmingham, batch rehabilitation has a strong positive influence on neighbourhoods, due to the immediate visual effect of rehabilitating large numbers of units. Rehabilitating single items under a system approach in a small number of single family homes in an area may not produce such an effect here. Birmingham found that the total rehabilitation of scattered single houses in a neighbourhood did not stop neighbourhood deterioration.*

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* See City of Birmingham, Chapter 2.

2. The Extent of the Market

Undertaking an extensive analysis of the potential market for batch rehabilitation is not an objective of this Study. Nevertheless, for completeness, the size and the location of the potential markets for a batch rehabilitation program in Atlantic Canada are outlined in this section.

Exhibits III-1 and III-2 provide an overview of the broad dimensions of the market for batch rehabilitation. According to their occupants, 9 percent of the owner-occupied private dwellings in the Atlantic provinces are in need of major repair. Of more than 63,000 dwellings in this category, slightly more than 77 percent, or just over 49,000 are located in Nova Scotia and New Brunswick. Based on our understanding of RRAP, these dwellings are likely to be the major source of RRAP participants, and barring major differences between RRAP and a batch rehabilitation program, also the source of participants in a batch program.

Almost one-third of all occupied dwellings in Atlantic Canada were constructed prior to 1946. This, combined with the findings in the report, An Evaluation of RRAP (Social Policy Research Associates/SPR Evaluation Group Inc., December, 1979), that the average age of dwellings covered by RRAP was 48 years, suggests that there is still a significant rehabilitation market in Atlantic Canada.

This view is substantiated by the data in Exhibit III-3. Dwellings in need of major repair account for slightly more than nine percent of all private occupied dwellings in the Atlantic Provinces. Seventy-six percent of dwellings in need of major repair (48,230 dwellings) were built prior to 1961. Almost 32,000 of these dwellings are

Exhibit III-1: Occupied Private Dwellings by Condition of Dwelling, Canada and Atlantic Provinces

	Total Occupied Private Dwellings	Dwellings in Need of: Regular Repairs Only	Percent	Minor Repairs	Percent	Major Repairs	Percent
Newfoundland	148420	113155	76	24195	16	11070	7
Prince Edward Island	37660	26605	71	7755	21	3300	9
Nova Scotia	273195	183400	67	62320	23	27475	10
New Brunswick	214920	149170	69	44215	21	21535	10
Atlantic Provinces	674195	472330	70	138485	21	63380	9
Canada	8281530	6322175	76	1407600	17	551755	7

Note: Percentages may not add to 100 because of rounding.
Figures are based on a 20% sample.

Source: Statistics Canada, 1981 Census of Canada

Exhibit III-2: Occupied Private Dwellings by Period of Construction
Canada and Atlantic Provinces

	Total Occupied Private Dwellings	Period of Construction								
		Before 1946	Percent	1946 to 1960	Percent	1961 to 1970	Percent	1971 to 1981	Percent	
Newfoundland	148420	30970	21	35670	24	31690	21	50095	34	148425
Prince Edward Island	37660	14920	40	4950	13	5435	14	12350	33	37655
Nova Scotia	273195	98110	36	48455	18	43765	16	82860	30	273190
New Brunswick	214920	67430	31	39265	18	34475	16	73745	34	214915
Atlantic Provinces	674195	211430	31	128340	19	115365	17	219050	32	674185
Canada	8281530	1938250	23	1856050	22	1799745	22	2687485	32	8281530

Note: Percentages may not add to 100 because of rounding.
Figures are based on a 20% sample.

Source: Statistics Canada, 1981 Census of Canada

Exhibit III-3: Private Occupied Dwellings by Condition of Repair by Age, Atlantic Canada, 1981.

	Rural Under 5000	Urban Under 10000	Urban 10000+	Total
Built 1960 or Before				
Regular Maintenance	102305	13985	84935	201225
Minor Repairs	49860	6020	34420	90300
Major Repairs	31155	3100	13975	48230
All Conditions	183325	23105	133340	339770
Built After 1960				
Regular Maintenance	141705	12915	116475	271095
Minor Repairs	27310	2520	18355	48185
Major Repairs	10270	730	4145	15145
All Conditions	179285	16160	138970	334415
All Periods of Construction				
Regular Maintenance	244010	26900	201410	472320
Minor Repairs	77170	8540	52775	138485
Major Repairs	41425	3830	18120	63375
All Conditions	362610	39265	272310	674185

Note: Provincial figures are given in Appendix E. Totals shown do not agree with the Appendix because of Statistics Canada rounding procedures.

Source: Statistics Canada, 1981 Census of Canada, Special Tabulation

located in rural areas or urban areas of less than 5,000 population. Urban areas with a population of 10,000 or more account for another 14,000 dwellings. In our view, the former two categories contain the bulk of dwellings likely to be attracted to a batch program. It is not possible to determine from this analysis how many of these units are in urban RRAP designated areas, although this is feasible using census data.

Not all of these dwellings are owner-occupied. For the Atlantic Provinces as a whole, rental dwellings account for about 26 percent of total dwellings. This percentage is higher for larger urban areas like Halifax and Saint John, and lower for the small urban areas and the rural areas. Eliminating rental dwellings from consideration means both the incidence and absolute number of batch qualified dwellings will be higher than the overall figures indicate. An in-depth analysis of 1981 Census data would be a good means of better delineating the potential markets for batch rehabilitation. However, such a Study is beyond the resources available for Phase I of this project.

In addition to this broad overview of the potential batch market, two other factors which influence the market should be considered. First, the cautionary role of British and American officials should be noted: batch rehabilitation schemes work best in an area where no previous rehabilitation work has been funded as such funding limits the potential market for batch rehabilitation.

Secondly, we have assumed in this study that the major determinant of a decision to renovate is the age of the dwelling. This assumption appears to be consistent with data on RRAP participants and the age of dwellings requiring major repairs according to the 1981 Census. In a comprehensive

review paper, The Determinants of Homeowner Renovation, Waloff identifies a wide range of factors influencing a homeowner's decision to rehabilitate or renovate his/her dwelling. A CMHC-funded study on the determinants of landlord RRAP concluded that most landlords rehabilitated their building because (a) "the building needed it"; (2) government assistance was available; or (3) they wanted to improve their bu ilding's appearance.* It is not clear if similar determinants apply to homeowners, nor the relative strength of each determinant. In designing a batch rehabilitation scheme and in carrying out a demonstration project, further attention will have to be directed to the determinants of rehabilitation to insure the project has wide appeal to homeowners.

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* CMHC, Determinants of Rental Rehabilitation, p. ii.

IV. Redefining Batch Rehabilitation

1. The Systems Approach

The concept of a "systems" approach and the reason for considering this approach are introduced earlier in this report. This section examines the concept in more detail.

Our initial literature review failed to uncover any schemes engaging fully in the "total" form of batch rehabilitation, defined at the outset of this study. However, the British work on envelope housing and the Barberton, Ohio scheme both contain elements of the batch concept. Discussion of this aspect of the research with CMHC Project Officers produced the suggestion that a "systems" approach may generate some of the cost savings that were originally expected from batch rehabilitation.

The term "system" is used in this context to refer to rehabilitation of specific housing components like electrical wiring, plumbing or heating equipment. In a "systems" batch project, rehabilitation work would focus on a single item such as the repair or upgrading of electrical wiring in a group of houses. It is hypothesized that cost savings will result from bulk purchasing of materials, better organization of labour or both. The result of preliminary interviews, described earlier in Chapter II, suggested that the potential for cost savings from the total batch approach was very limited. Because the preliminary interviews were conducted on the assumption of a comprehensive rehabilitation rather than a "systems" approach, a second set of interviews with a sample of contractors likely to be interested in a batch rehabilitation program was conducted.

The aims of these interviews were: to test the level of interest in a "systems" approach to batch rehabilitation; and, to ascertain what level of cost savings might be expected from such a scheme. The interview guide is attached as Appendix D.

The contractor interviews were carried out by Douglas Urquhart, a member of the Study Team. Exhibit IV-1 provides a summary of the results of ten interviews with three types of contractors: general, electrical and plumbing. All of the firms expressed a positive interest in the batch approach to rehabilitation. Based on the interview responses, there is, in general, good potential for cost savings from the batch approach. The most definite sources of savings reported are for the purchase of electrical and plumbing materials. Savings of 10 to 15 percent of the materials cost are estimated, varying according to the number of rehabilitation units and the type of materials.

The general contractors' responses on cost savings were mixed. Two firms felt there was no scope for cost savings because of the heterogeneity of rehabilitation work and the consequent lack of volume purchases. The other two firms felt there would be savings, particularly on labour, if the batch units were located in close proximity to one another. However, the latter two would not make a percentage estimate of the savings.

The firms felt that savings on overhead are hard to predict because they depend on many factors related to the type of work, and the similarity and the proximity of the units.

In addition to the firms' responses reported in Exhibit IV-1, two general contractors, one with eight

Exhibit IV-1: Summary of Contractor Survey

		Interested in Batch Rehabilitation	Cost Savings		Optimum Number of Units	Preferred Time of Year
		(# of Yes	(# of Yes)	Percent	Minor	
Generals	(n=4)	4	2	-	15-20	Summer
Electrical	(n=3)	3	3	10 +	5-10	NP
Plumbers	(n=3)	3	2	10-15*	5-10	NP
Total Canada	(n=10)	10	7			

Note: NP- No Preference
*- Depends on nature of the work.

Source: Survey by Douglas H. Urquhart Architects Ltd., May 1983.

employees and one with twenty-five employees, stated they would not participate in a batch rehabilitation scheme. The small firm already does a lot of RRAP work - it is apprehensive of the bureaucracy necessary to administer a larger package. The large firm felt that it could not compete with smaller companies on projects involving a relatively small number of units. However, this firm might be interested if the batch package was in the $150,000 to $200,000 range and was well documented for competitive bids.

Three of the general contractors stated that fifteen to twenty or more units would constitute an acceptable batch project. These three were also the largest firms interviewed, employing on average fifteen persons. The plumbing and electrical contractors, one of whom employed fifteen persons while the rest employed between three and nine people, opted for five to ten units as an optimal size batch project. There was general agreement that at least five units were required to attain any cost savings.

The electrical and plumbing contractors expressed no strong seasonal preference for batch work. In fact, different contractors offered the same reasons for preferring winter in one case and summer in the other. Although the general contractors indicated that their seasonal preference would be influenced by the type of work to be done, two definitely preferred the summer, one the winter and one was indifferent.

To sum up, the interview survey of contractors provides a good indication that batch rehabilitation as defined in this study would attract the interest of many small to medium sized, well-established general and specialized contractors. Cost savings of 10 to 15 percent on materials are possible following the "system" approach to

batch rehabilitation. To achieve the cost savings batch projects comprised of at least 5 units are necessary. The contractors interviewed are capable of handling up to twenty units at a time, and projects of ten to twenty units appear to be both feasible and desirable. Although there is some preference for summer work, we conclude that seasonality would not be an important factor in arranging batch rehabilitation projects.

While the systems approach appears to offer some hope, it should be remembered that the contractor survey was conducted without reference to an actual model of a batch rehabilitation scheme.

2. Cost Savings

The potential cost savings in a batch rehabilitation scheme can be put in perspective by considering the average cost of RRAP-financed rehabilitation work, summarized for 1982 in Exhibit IV-2. The cost ranges from a low of $4,170 in urban areas on Prince Edward Island to a high of $5,836 in urban areas in Newfoundland. Based on an average expenditure of $5,000 and assuming cost savings of 10-15 percent from the batch approach, a homeowner could potentially save $750. However, this seems unlikely since our survey of contractors indicates that savings are related to the purchase of materials for electrical and/or plumbing work. Eliminating the labour component, and considering (reasonably) that electrical or plumbing work is likely to account for only a fraction of the total rehabilitation expenditure, it becomes apparent that the batch savings will not amount to more than several hundred dollars in the majority of cases.

Exhibit IV-2: Characteristics of Loans Approved Under RRAP for Owner Occupants, 1982.

	Number of Units	Total Cost	Loan Amount	Grants	Age of Owner	Income
			Averages			
Urban Areas						
Newfoundland	250	5836	5597	3802	53	10598
P.E.I.	115	4170	3902	3288	53	11934
Nova Scotia	1270	5052	4772	3265	56	9976
New Brunswick	548	4639	4216	3403	55	11306
Atlantic Canada	2183	4992	4681	3362	55	10484
Rural Areas						
Newfoundland	1693	6389	5676	4087	48	8627
P.E.I.	675	4821	4159	3558	49	10589
Nova Scotia	1917	4950	4731	3640	57	8241
New Brunswick	1795	5151	3715	3306	55	9756
Atlantic Canada	6080	5396	4631	3657	53	9056

Source: CMHC, Canadian Housing Statistics, 1982, Table 67.

The forgivable loan component of the RRAP financing ranges from an average of 94 percent in the urban areas to 86 percent in the rural areas. RRAP participants are in effect spending dollars which cost them on average from 6 cents to 14 cents. This, of course, further reduces the attractiveness of any cost savings generated by the batch approach. In an urban scheme encompassing from, say 10 - 15 housing units, aggregate net savings for all homeowners are not likely to exceed $1,000. While the cost savings cannot be dismissed as inconsequential, it appears that they will not be a major factor in attracting participants to a batch rehabilitation project.

3. Unresolved Issues

Our literature review and our interviews with local, national and international experts have led us to the conclusion that the type of batch rehabilitation proposed for Atlantic Canada is unique. This uniqueness is a function of three factors: the relatively small urban markets in the region, the diversity of the housing stock and the restriction of the project to the homeownership market.

As a consequence of this uniqueness, and in spite of several follow-up attempts to obtain additional information, several issues relating to the primary objective of this study remain unresolved, primarily because of a lack of similar projects to which we can refer for guidance. In our view, only a demonstration project is ultimately capable of resolving these issues and satisfying the primary objective of this project: "to determine the potential of batch rehabilitation to provide economies and benefits to parties involved in the batch rehabilitation process...". The major issues outstanding are as follows:

a) Cost Savings

The question of cost savings, discussed earlier, still remains largely unresolved. Although there appears to be scope for savings, these appear to be available mainly through bulk purchase of materials. The scope for savings through more efficient use of labour is unclear at this time. While the magnitude of savings is also unclear, cursory evidence from our survey indicates maximum savings of 15 percent on the cost of materials.

Small firms who now do much of the RRAP work in Atlantic Canada may not be capable of undertaking batch rehabilitation. If they do, the cost savings on materials purchased may disappear into higher overhead costs. On the other hand, given that batch schemes would generally involve less than twenty housing units, it is unlikely that larger construction firms will be attracted to batch rehabilitation.

b) Market Size

Our preliminary investigations of the market size for batch rehabilitation, discussed in Chapter III, leave several issues unanswered. While the analysis suggests there is a market for a batch rehabilitation scheme, a more detailed market analysis is required. This market analysis should identify in detail the number of housing units requiring major repairs in the urban areas where batch rehabilitation is likely to take place. Such an analysis is an important prerequisite for choosing a location for a test batch rehabilitation project and for designing a complete program if a decision is taken to proceed.

c) Legal

The batch rehabilitation schemes we have reviewed do not provide us with sufficient information to determine the legal implications of a batch rehabilitation scheme in Atlantic Canada. Among the questions that have yet to be resolved are the following:

- what are the legal implications of contractor selection?
- who is liable if the contractor becomes bankrupt?
- how would redress occur in this instance?
- are municipalities liable if they choose contractors?

The difficulty in resolving the legal implications of a batch scheme in Atlantic Canada arises from two main areas. First of all, foreign schemes are not easily adapted to the Atlantic Canada context. The mechanism for handling the legal aspects of foreign batch rehabilitation is largely determined by the administrative and financial nature of the schemes. Since any batch scheme in Atlantic Canada will undoubtedly differ from the administrative and financial structures of foreign schemes, it follows that the legal mechanism will differ as well. For example, the City of Birmingham acts as the delivery agent and assumes the major legal responsibilities for the Birmingham scheme. It seems unlikely that the different nature of circumstances here would allow a similar resolution of the legal matters. In fact, our interviews with delivery agents here indicate that delivery agents and the municipalities they represent are not prepared to assume these responsibilities.

The second major constraint to determining the legal implications of an Atlantic Canada batch rehabilitation

scheme is that such a scheme has not yet been defined. Even in Birmingham, the legal issues of batch rehabilitation do not appear to have been resolved; the person with whom we spoke in Birmingham indicated that all the legal implications of their scheme have yet to be determined, even though the project has been in effect for nearly six years.

These issues are difficult and, in our view, foreign experiences provide little guidance for their resolution. However, the issues must be resolved before any scheme is tested in this Region.

d) Administrative

A batch rehabilitation scheme, if not well managed, has the possibility of becoming an administrative nightmare. In other areas, the problems of multiple homeowners and different rehabilitation tasks have usually required that the delivery agent set up a separate office to administer batch-type rehabilitation. If the experiences of other areas are followed, then the staff administering a batch rehabilitation in Atlantic Canada will be required to undertake a detailed survey to determine the possibility and need for batch rehabilitation, market the program through personal contact in an area, tender each project, select a contractor, and constantly monitor the work being done.

Birmingham and Barberton have found that, administratively, batch rehabilitation works best at the grassroots level. To achieve high levels of co-operation between the delivery agents, the contractors and the homeowners, both schemes assign staff to field offices to work more closely with the concerned parties. By being more intimately involved with a project, field staff are able to ensure a high quality of work and greater levels of

satisfaction among the concerned parties. Such a requirement may not be necessary here, but extra work may have to be done to ensure high quality work and the success of a project.

Ultimately, the nature of the administrative work can only be determined during the actual design phase of a batch rehabilitation scheme. Administrative levels are also a function of the size and type of individual batch projects. Under some conditions, administrative aspects could easily outweigh any potential cost-savings of batch rehabilitation.

The question of how the restrictions of completing the project within a fixed time period may influence the perspective of contractors who may be interested in batch rehabilitation also needs to be answered. This question takes on increased importance if primarily small firms are attracted to batch work.

These issues remain unresolved at this point, in part, because a suitable batch rehabilitation scheme has not been found.

V. Conclusions and Recommendations

1. The Concept of Batch Rehabilitation

The objectives of this study implicitly assume that batch rehabilitation schemes readily applicable to the urban Atlantic housing milieu exist in both the United States and the United Kingdom. An extensive literature review and a series of interviews with key officials in the fields of renovation and rehabilitation at the local, national, and international level failed to discover a scheme with the essential ingredients of the proposed batch rehabilitation scheme. In our view, and the view of those we interviewed, the proposed batch rehabilitation scheme is unique.

The primary difficulty, which is a consequence of the uniqueness of the proposed scheme, is that subsequent work in Phases II and III of the project will involve some original work, rather than simply an adaptation of an existing batch rehabilitation program. Once the extent of this work is determined, a review of the resources currently allocated for Phase II may be required.

2. The Potential and Feasibility of Batch Rehabilitation

The objectives of Phase I of this study centre on the potential and feasibility of batch rehabilitation. The potential of the project essentially hinges on the economic benefits which may accrue through batch rehabilitation. Other benefits include the neighbourhood effects of batch rehabilitation and the possible stabilizing role the program may have on the construction industry.

Costs savings were hypothesized to occur through the bulk purchases of materials, the more efficient use of labour and improvements in the general organization required for such a project. Our research indicates a modest potential for cost savings in the order of 10 to 15 percent on the material costs. Overall, these savings may only amount to $1,000 on a 10-15 unit batch rehabilitation project. The evidence on labour savings was inconclusive as was the information on potential organizational savings. Consequently, total cost savings appear modest. In practice, cost savings on the labour or material side may well be offset by increased administrative costs. All things considered, we were unable to determine significant benefits in the area of cost savings for homeowners, the construction industry, the delivery agent or CMHC. Based on this evidence, it is our view that the potential cost savings do not provide a strong justification for undertaking a batch rehabilitation scheme.

Whether a batch scheme would provide a stimulus for revitalizing neighbourhoods is unclear from the evidence reviewed. Much appears to depend on the proximity of the dwellings undergoing rehabilitation and on the nature of the rehabilitation work itself. In our view, the neighbourhood factor is likely to vary considerably according to the characteristics of a particular batch scheme. British experience with rehabilitating individual units in an area does not suggest a measurable neighbourhood impact of individual unit rehabilitation. Given the small scale likely for batch rehabilitation projects, such schemes may not be distinguishable from ordinary RRAP in a neighbourhood.

The interviews with general and specialized contractors indicate that a batch rehabilitation would attract the interest of small firms. Whether that interest

would be sustained in the face of a resurgence of new house building activity is unclear. It is possible that a well-designed batch program could come to be regarded as a viable and desirable alternative to the more traditional new housing construction. Based on the evidence available we feel it is premature to draw any firm conclusions on this matter.

We investigated the possible employment generation effects of a batch rehabilitation scheme. While batch rehabilitation may add some stability to the industry on a modest scale, there is no evidence that batch rehabilitation does anything more than shift employment over time.

The cautionary note voiced by Birmingham and Barberton on the potential and feasibility of batch rehabilitation in an area which has already received rehabilitation loans should not be ignored. RRAP has been in effect for a number of years in urban areas of Atlantic Canada. The implications of this situation must be carefully studied if batch rehabilitation is to be implemented successfully in Atlantic Canada.

Even though the cost savings from batch rehabilitation appear very limited, batch rehabilitation could serve as a useful tool for CMHC to direct activity in the housing market. However, as pointed out in the previous chapter, a number of legal and administrative questions remain unresolved. More definitive answers on these issues await detailed work on a mechanism for delivering batch rehabilitation.

3. Recommendations

The research element of this study failed to locate a rehabilitation scheme in operation elsewhere which could serve as a model for an Atlantic Canada batch rehabilitation scheme. This gap left a number of questions and issues with no ready answers. However, many of the still outstanding issues addressed in this study may be resolved by proceeding to Phase II. But, without a model to follow, the design of a batch rehabilitation delivery mechanism requires careful consideration of a number of issues of an economic, administrative and legal nature, a more extensive review of the determinants of homeowner renovation and the size and location of the potential market for batch rehabilitation.

Consequently, we recommend that work proceed on the design of a delivery mechanism in Phase II of the batch rehabilitation study. In addition to designing a batch delivery mechanism, this work should specifically address legal and administrative issues; market size, potential and location; and the determinants of the decision to rehabilitate.

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Appendix A

The Interview Process and List of Persons Interviewed

The following list is of persons we contacted directly as part of the background research on the batch rehabilitation project. In several cases those interviewed supplemented their own knowledge and experience on housing renovation and rehabilitation by either providing us with names of others who might have some knowledge of a batch-type scheme, or by contacting these people directly for us. In the latter case we have reported these additional contacts under the heading "Secondary Contacts".

In order to maintain a consistency in our interviews, and to ensure all relevant points were covered in each interview, we prepared a general interview guide. This guide appears as Exhibit A-1.

Exhibit A-1: Guide for Telephone Interviews

Step 1: Introduction

- Provide a description of batch rehabilitation; inquire whether respondent is aware of similar schemes.

Step 2: Key Characteristics of Batch Rehabilitation

The following are key elements stressed in the description of batch rehabilitation.

- owner-occupied housing;
- generally low income occupant;
- units in need of repair in 5 RRAP components;
- units located in close proximity: neighbourhood setting;
- funding arrangements; are governments involved?

Step 3: Additional Areas of Interest

- legal, contractural requirements;
- involvement of construction industry; size of firms and number of firms involved in renovation/rehabilitation work;
- scope of renovation;
- role of "delivery agent";
- optional number of units necessary for batch rehabilitation
- intensity of project monitoring; administrative requirements.

Exhibit A-2: List of Interviews

1. Stan Blaney, Tenant Services Coordinator, City of Roanoke Redevelopment Housing, Roanoke, Virginia.

2. Sharon Booker, Architect, former Planner/Urban Designer, Roanoke, Virginia, author of Choices: Alternatives for Housing in Old Northwest Roanoke.

3. George Cook, Housing Commissioner, responsible for non-profit housing, City of Toronto.

4. Sue Corke, Housing Renovation and Energy Conservation Unit, Ministry of Housing, Ontario.

5. Patricia Donihee, Executive Director of CAHRO, Editor of Impact magazine, Fredericton.

6. Maureen Ferris-Pepson, Editor of Conserve Neighbourhoods, National Trust for Historic Preservation, Washington, D.C.

7. Rita Fraser, RRAP coordinator, City of Halifax.

8. Joseph Gray, Director of Planning and Urban Development, City of Portland, Maine.

   Secondary Contacts

   HUD, New England, Director of Renovation.

9. Bob Hale, Residential Improvement Operation Division (RRAP), CMHC National Office, Ottawa.

   Secondary Contacts:

   Michael Ehrmann, Director, Renovation and Renewal, HUD;
   Michael Noll, Office of Community Development, St. Louis;
   Terry W. Mills, Renovation Council, HUDAC;
   John Carbone, former Head of Toronto Renovation Council;
   NAHRO

10. John Houchins, Program Officer, Section 312 programs (renovation and rehabilitation), HUD New England, Boston.

11. Margaret Meek, member of Joe Berridge's study on Large Scale Batch Rehabilitaton, Toronto.

12. National Housing Rehabilitation Association, Washington, D.C.

13. Joel Owen, Neighbourhood Conservation Service, Barberton, Ohio.

14. Elizabeth Paige, RRAP Coordinator, New Glasgow.

15. Helen Payton, Housing Community Congress, Cleveland Heights, Ohio.

16. David Pearson, Principal Architect, Technical Service Division, Borough of Hammersmith and Fulham, London, England.

17. Andy Thomas, Professor, Centre for Urban and Regional Studies, University of Birmingham, England.

Appendix B

Selected Reference Materials

Housing case study
Envelope treatments

Although grants have led to the improvement of individual properties, they have failed to prevent the overall decline of neighbourhoods. New approaches have been pioneered in Birmingham to repair and improve the external shells of entire streets.

Terry Brunt explains the development of envelope treatments and their expansion to whole house improvement.

Terry Brunt is assistant city environmental officer in the Housing and Urban Renewal Unit in Birmingham

Although Birmingham embarked upon its first slum clearance programmes before the Second World War, it was not until 1940 that redevelopment on a large scale was undertaken, resulting in the demolition of 60 000 houses and the rehousing of 200 000 people.

In the late 1960s the city council began to take stock and reconsider its policy for further clearance and redevelopment. Clearly the city was unable to continue to pay the social and economic costs of these policies and so there was a change of attitude. This led to a policy which rejected large scale redevelopment and adopted a policy of small scale, sensitive replacement, with large scale rehabilitation of the city's older areas, within a framework of full and genuine public participation.

The city faced the problem of 100 000 pre-1919 properties that were in need of attention, some of them immediately. Therefore most of these properties were marshalled into proposed general improvement areas (GIAs) and some into renewal areas—an expression peculiar to Birmingham—which were seen as areas of mixed clearance and retention and which turned out to be the forerunner of the housing action areas (HAAs).

1 'Pepper potting', where individual houses are improved with grants, does not ensure a neighbourhood against decline

Failure of 'one-off' grants

By 1977 it was clear that the house improvement programme was not only lagging far behind but was actually failing; confidence was not being established in the areas and some new initiatives would be needed if large scale municipalisation or clearance was to be avoided. Most areas that had received traditional one-off grant treatment displayed the usual characteristics of 'pepper potting' with sporadic and unco-ordinated improvement.

Finding a new initiative

The first initiative came in 1977-78 when finance was made available by central government through the Inner City Construction Programme. A sum of £2 million was directed to a 'facelift' scheme in two HAAs, providing new chimneys, roofs, rainwater goods, front windows and doors and elevational treatment to all the unimproved houses without direct cost to the owners. This resulted in an impressive improvement in the appearance of the two areas and allowed the council to abandon its proposals for compulsory purchase of unimproved houses. These schemes led the way to the development of Birmingham's envelope scheme. Funded through the Birmingham Inner Cities Partnership Programmes, the envelope scheme is similar to the facelift scheme except that it sets out to treat the whole external fabric of houses in one block supervised by the city.

Apart from the immediate physical and social uplift to an area, the scheme gives immense encouragement to first time buyers and individual owners for future investment, and establishes the sort of confidence that the building societies and institutions require.

Following the initial envelope schemes the city quickly realised that here was an answer to the decaying pre-1919 housing. Although the envelope scheme was considered by central government to be an experiment on six selected HAAs, funded through Inner Cities Partnership money with a 75 per cent subsidy, the city decided to apply the principle to other HAAs using the finance from the Housing Investment Programme, which did not attract subsidy.

In addition, by using the enveloping technique and adding improvement grant finance and an owner's contribution, it was found in two HAAs that total inside and outside house improvement could be achieved at the same time. These were called 'block schemes'. The only problem here was the need to temporarily relocate or 'decant' occupants, a constraint on large schemes.

The whole process of an envelope scheme is its application to a block, street or area, 5-6.

Our system in Birmingham has now developed to the production of contract documentation consisting of standard detailed drawings in most cases, labor survey and design information, quantities based on generic house types, an increase in the amount of firm measured quantities and a reduction in provisional sums. The lead-in time is now just over 12 months, which allows smoother running of the contracts and greater cost control.

Architectural input

One of the main elements of Birmingham's urban renewal programme had always been the secondment of the public sector architects from the city architect's department to locally based project teams, where they could act as community architects and serve the real resident client, providing a new response.

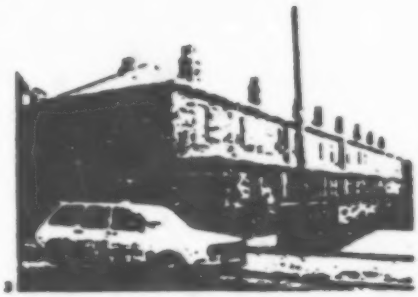
Apart from the contractual considerations, the city felt a totally new approach was required to give the residents the best professional service it could offer. This was provided by the city architect's (design and supervision), city building finance (quantity survey and cost control), and the city's environmental health department (acting as client).

The first major envelope scheme funded through the Inner Cities Partnership Programme was St Silas. It covered a complete HAA of 1180 dwellings to the north of

Birmingham city centre. Many properties had been individually improved by the housing department after compulsory purchase or by housing associations and, in a very small number of cases, by 'improvement grants' but a residual 588 properties were in desperate need of renovation.

To enable rents to be manageable, these properties were divided into two contracts, the first comprising 349 dwellings to be completed within 12 months, and the second covering the remainder beginning six months later with a 40 week contract period. The contracts were offered on competitive tender and won by two major contractors.

The tight time-scale meant that an officer of the council had to visit the owners individually to obtain consent at survey and completion stages. This helped the residents to understand



3-6 Before and after pictures of two streets in Birmingham where envelope treatment has been carried out: Langley Grove, 3, 4, and Langley Road, Small Heath, 5, 6.

the scheme and know the officials involved.

Confidence, understanding and mutual respect played a vital role in the implementation of the scheme. Many residents had never experienced contact with any building work, and the upset and annoyance of developing can be a big upheaval to them. However, once the result could be seen in finished properties in the first street, residents accepted the shortages of the contractor and welcomed the scheme.

As the people lived in their homes throughout the work, it was important to ensure good discipline of contractors, not only over quality of work but of control of operations, sequence of workings and co-ordination of trades.

Team work, mutual respect, residents' confidence, a quick decision-making process and quality of workmanship are the essential ingredients to envelope. Staffing this work requires people who care and believe in it. Without this commitment the schemes are unlikely to succeed.

The objectives of the envelope scheme are to secure large numbers of properties and halt the process of decay, but this is only the first step. Improvement grants have to be used for providing basic amenities and improvements.

Follow-up improvement grants

However, offering flexibility within the grant to owners can prove unmanageable on large schemes. Exactly the same 'topper potter' arguments can be applied to the one-off external house improvement as was applied to one-off whole house improvement. What is needed is a programme of follow-up improvement grant works to follow closely the recently completed envelope scheme. Out of necessity this programme will seek to offer 'packaged deals' to owners.

The co-ordination of the statutory bodies' over improvements is also of paramount importance in the completion of area road and pavement improvement works. At all stages of area improvement, be it the envelope scheme itself, the follow-up grant work, the highway improvements or the development of open area for housing or community facilities, all these activities must be co-ordinated.

Need for a national policy

Envelope schemes are only one part of total area improvement. There are several functions which make up the total package.

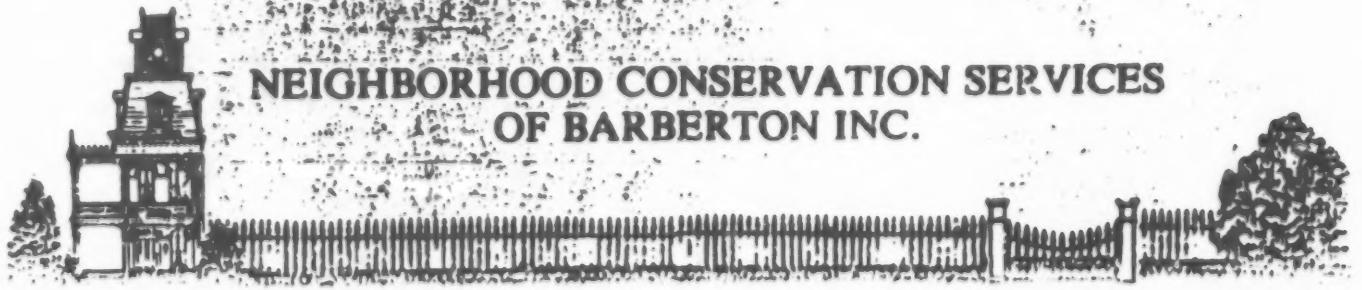
Anyone who embarks upon envelope schemes and feels that they are the total answer to area improvement will be working under a misconception. It is essential to view them as the first step in restoring confidence to an area.

All that remains is to have the lessons and experience of Birmingham enshrined as part of a package in a new 'housing renovation areas' Act which addresses the problem of the long term solution of our declining older housing stock. This was suggested by the Institution of Environmental Officers in September 1981; all that is required now is action.

Acknowledgements
Grateful acknowledgement is made to Clive Aldam, City of Birmingham Building Process Services, Chairmans Russell, City of Birmingham Environmental Health Department formerly City Architect's Department, and John Hawes, City of Birmingham Urban Renewal.

NCSNCSNCSNCSNCSNCSNCS

YOUR NEIGHBORHOOD
YOUR PROGRAM
YOUR OPPORTUNITY



NEIGHBORHOOD CONSERVATION SERVICES
OF BARBERTON INC.

Who We Are: NCS is a locally-controlled, non-profit housing program dedicated to revitalizing Barberton neighborhoods. NCS works in the neighborhoods within this map to stem neighborhood decline and to upgrade Barberton's housing stock. It is our goal to assist neighborhoods in restoring their vitality.

NCS is governed by its own Board of Trustees, which is a partnership of residents from the selected neighborhood areas, local lending institutions, and City officials. This unique board allows for residents of NCS areas to participate democratically in the operation and services of our program.

FREE SERVICES TO NCS NEIGHBORHOODS

Construction Services

- ***Housing Condition Survey*** - provides information on property's safety, health, and building condition.
- ***Contractor Selection*** - provides screened, qualified contractors to do rehabilitation work.
- ***Contractor Monitoring*** - provides on-site inspections to assure quality workmanship.
- ***Work Write Ups*** - lists exact work to be completed and provides quality standards.
- ***Cost Estimates*** - provides financial estimate for comparison shopping.
- ***Bidding Service*** - will conduct formal bid to provide competitive prices.
- ***Cooperatives*** - provides goods/services at a greatly reduced price through group buying.

Financial Services

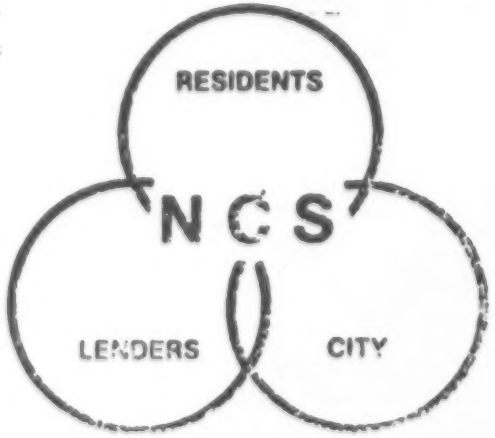
- ***NCS Low-Interest Loans*** - for those ineligible for credit at local lending institutions, a loan pool at reduced rates (3-9%) and at extended terms (1 year to 15 years).
- ***Conventional Lending*** - assists homeowners in obtaining credit, ***including Interest Reductions,*** at local lending institutions.
- ***Paint Rebate*** — $5/gallon on exterior work ***after*** work is completed.
- ***5% Rebate Program*** — a rebate of 5% of total cost exceeding $500 on ***any*** work done, interior or exterior, on your home. The 5% rebate must be used to completed additional exterior rehabilitation.
- ***Senior Citizens Deferred Loans*** — a no—interest, no monthly payment loan for qualified seniors.

Community Services

- ***Neighborhood Improvement Committees*** - monthly meetings to discuss revitalizing neighborhood.
- ***NCS*** - a H.U.D. - approved housing counseling agency..
- ***"Good Neighbors" Newsletter*** - monthly news on rehabilitation activities and community revitalization.
- ***Special Neighborhood Events*** - Open House, picnics, work projects..

YOUR PROGRAM - YOUR OPPORTUNITY - NCS is a self-help program, not a 'give-away. NCS can provide services and assistance, but ultimately, it's the neighborhood residents who must make this program a success. If you are ready to help restore the strength of your neighborhood, get involved in NCS of Barberton.

Neighborhood
Conservation Services
of Barberton
109 Third Street, NW
Barberton, Ohio
753-0377
Joel V. Owens, Director



NEIGHBORHOOD CONSERVATION SERVICES
OF BARBERTON INC.

JOHN J. SARB
PRESIDENT

JOEL V. OWENS
DIRECTOR

109 THIRD STREET, N.W.
BARBERTON, OHIO 44203
A NON PROFIT PROGRAM FOR NEIGHBORHOOD REVITALIZATION
PHONE (216) 753-0377

energy co·ops

An Energy Co-Op is one of several types of neighborhood cooperatives which NCS offers. All co-ops are developed to lever group purchasing strength on goods (i.e. insulation) or services (i.e. furnace tune-ups.)

NCS promotes the use of co-ops for two major purposes:

1) NCS wants to stimulate resident awareness of energy conservation and energy-efficiency techniques.

2) By levering a large group of purchasers, NCS expects substantial price reductions and additional participation by residents because of these savings.

NCS of Barberton has sponsored Energy Co-Ops in:

1) Furnace Tune-Ups - 1981 - $12.95 - 30 participants

   Furnace Tune-Ups - 1982 - $14.95 - 35 participants (as of 10/21/82- currently offered)

2) Insulation Co-Op - 1981 - $2,200 investment - 8 participants

   Insulation Co-Op - 1982 - $4,000 (estimate) - 12 participants

3) Storm Window Co-Op - 1982 - $45.00 per window (estimate)- 20 participants 200 windows

History

NCS began experimenting with co-ops in 1980 by sponsoring a concrete co-op. At that time, public sidewalks were being poured in our first neighborhood, Van Hyning. Several residents approached NCS regarding private work (i.e. private

walks, driveways.) NCS simply announced at several meetings that a group of residents wanted private concrete work done and made available a list to sign up. Twenty-two residents signed up. The contractor was contacted, prices secured, and he was given the list of private work. He then provided NCS and the property owner with an estimate. Eventually, nine property owners took advantage of the savings (9 owners invested $2,839.00.)

NCS has since sponsored a second concrete co-op (15 people - $5,000.00) and a very successful limestone co-op (20 people - 161 tons/stone at $8.95 per ton.)

Benefits

1) It serves a specific need: Residents need storm windows, and them at good prices.

2) Reduces prices: NCS has estimated these savings:

Concrete Co-ops - A savings of 20-30%

Insulation Co-ops - A savings of 25-40%

Furnace Tune-Ups - $12.95 vs. $39.95

Storm Windows - A savings of 20-25%

Limestone Co-Op - $8.95/ton vs. $15.00/ton

3) NCS publicity (both in and out of neighborhoods.)

4) Another good reason to bring residents together.

5) Provides a "foot in the door" with some residents for additional services.

6) Have found certain safety hazards (i.e. furnaces that need major repairs.)

Circular from the

Department of the Environment

2 Marsham Street, London SW1P 3EB

Sir,

3 *December* 1982

Improvement of Older Housing: Enveloping

Introduction

1. The Government continues to urge local authorities to intensify their efforts to improve the older housing stock. This priority has been underlined by the additional resources for 1982/83 made available for improvement grants by the Chancellor of the Exchequer in his Budget statement on 9 March and the more recent announcement that authorities may spend without limit on improvement grants this year. To further increase authorities' capacity to tackle the older housing stock the Government has also announced that enveloping can in future be carried out in Housing Action Areas with the full resources of the housing programme and the capital receipts accruing to local authorities. Hitherto enveloping has only been available in Housing Action Areas on an experimental basis in inner city partnership and programme authorities with funding from the Urban Programme. This circular sets out the detailed arrangements that are to apply to future enveloping schemes.

The enveloping approach

2. Enveloping is the renovation of the external fabric and curtilage of dwellings which have deteriorated beyond the scope of routine maintenance. It is carried out at the instigation of the local authority but with the consent of the owners of the properties concerned and at no cost to those owners. It includes such items as repair or renewal of roof and chimneys, rainwater goods, work to external walls, repair or replacement of doors and windows and improvements to the curtilages. Whole terraces or blocks are dealt with simultaneously with consequent economies through the use of standard components and materials and the involvement of major building contractors who might not otherwise be attracted to housing rehabilitation work. Internal work is only included to the extent that it is making good as a result of the external renovation.

3. Experimental work financed under the Urban Programme has shown that enveloping can in some circumstances be more effective than previous methods used in Housing Action Areas in improving living conditions in the worst part of the older housing stock. The local authority has control over all the external rehabilitation works and can ensure that all the houses in the scheme are dealt with uniformly and quickly. The house is weather proofed and thus saved from further deterioration with eventual loss from the housing stock; the individual occupier is enabled to concentrate on

grant-aided internal improvements as and when he chooses. The whole environment of the area is improved quickly and dramatically, the impact of enveloping going well beyond the properties repaired.

4. No rigid criteria on eligibility for enveloping have been set at this stage. The essential pre-requisite is that each scheme should be justified in terms of the benefits it will bring to the buildings directly affected and to the Housing Action Area as a whole. The size and nature of schemes will vary greatly. A small group of dwellings may be tackled to remove a blighting effect. A single terrace may be enveloped to secure a comprehensive unified treatment. Whole blocks may be repaired where blight is widespread and a single dramatic action is needed. Although schemes approved under the Urban Programme have tended to be made up of terraced property other types of property may also be suitable for enveloping. While properties should be mostly in private ownership a small number of local authority and housing association dwellings and commercial premises may also be included where these are necessary to the integrity of the scheme.

5. Authorities will from 1 December 1982 be able to find the resources for enveloping from their Housing Investment Programme allocations, increased as appropriate by capital receipts. Bids for expenditure on enveloping will in future be taken into account in determining authorities' overall HIP allocations. It will be for authorities themselves to decide their own priorities for expenditure, including enveloping, within the total resources available to them.

6. Government assistance will no longer be available through the Urban Programme except for schemes that have already been approved before 1 December as part of that programme: these will continue to be treated as Urban Programme projects and will not be eligible for funding under the new arrangements. New schemes will be assisted by the Government using its powers under the Housing Act 1974 (sections 45 and 46 as amended by the Housing Act 1980). These powers enable the Government to make an Exchequer contribution towards the cost of environmental works in Housing Action Areas. Authorities should note however that they cannot give assistance as part of an enveloping scheme, to work that is already being grant aided under Part VII of the Housing Act 1974. Neither will an Exchequer contribution be available for such work.

7. The maximum expenditure on environmental works towards which an Exchequer contribution is available at present is £400 multiplied by the number of dwellings in the Housing Action Area at the date the area is declared; and the rate of Exchequer contribution is 50% of the loan charge, either actual or notional over 20 years. These arrangements will continue to apply to houses in Housing Action Areas that are not subject to enveloping. Where an enveloping scheme is proposed and the Department is satisfied that it can be completed within the period that the Housing Action Area in which it is located remains in operation, a higher Exchequer contribution will be considered. The basis of calculation will be the same as for environmental works elsewhere in Housing Action Areas but the sum of money to be multiplied by the number of dwellings in the scheme will be higher. No specific maximum sum per dwelling will be set and the calculation for each scheme will be decided on its merits. The rate of Exchequer contribution for approved enveloping schemes will be 75%. Consequently where only a proportion of the houses in the Housing Action Area are to be enveloped the Exchequer contribution will be the product of the different rates for enveloped and non-enveloped houses. When projects are approved for the

higher levels of contribution consent will be accompanied by a Direction specifying the aggregate of the expenditure per house in the Housing Action Area and the percentage of the loan charges (actual or notional) on the expenditure that will be met by the Exchequer. A special Direction will be issued under Section 46(5) of the Housing Act 1974 (as amended by Schedule 13, paragraph 10 of the Housing Act 1980) to the effect that, in respect of the specified Housing Action Area, a higher fraction and greater amount are substituted for those currently specified in Section 46(2) and (4) of the Housing Act 1974.

8. Schemes that include local authority dwellings will not be approved unless the local authority dwellings are small in number. Where local authority dwellings are included in approved schemes they will be eligible for the enhanced environmental works contributions.

9. When a project includes housing association dwellings on which a full rehabilitation or major repairs project has already been carried out with the aid of Housing Association Grant (HAG), Basic Residual Grant or Special Subsidy, the local authority will wish to consider further work only in exceptional circumstances. Where a HAG project is carried out at the same time as enveloping work, the cost of the works to be included in the enveloping project may not be met by HAG. Where a full HAG project is planned for a later date, enveloping works carried out to the properties in question should not be included in the specification for the HAG project.

10. When Projects include listed buildings or fall within conservation areas grants under Section 4 of the Historic Buildings and Ancient Monuments Act 1953, Section 10 (Conservation Grant) or Section 10B (Town Schemes) of the Town and Country Planning (Amendment) Act 1972 will not be available for any element of the work to which environmental contribution is being made.

11. These arrangements are intended to ensure that Exchequer assistance is not available twice over for the same work. Where the local authority wish to see equivalent work carried out to entire blocks of local authority or housing association dwellings this should be dealt with under the normal arrangements for housing project control or HAG as appropriate and not under the enveloping procedures.

Home Improvement Grants

12. Enveloping makes good the exterior of a dwelling. It should also encourage owners and tenants to improve the interior. Much or all of this subsequent work may be assisted by an intermediate or improvement grant. In entertaining applications for such grants authorities will wish to have regard to their statutory obligation to meet legitimate applications for intermediate grants. They should also have regard, in exercising their discretion in approving improvement grants, to the total public resources being put into an individual dwelling. In many cases where there is no question of hardship, it would be reasonable, bearing in mind the 100% grant towards the enveloping work, that any subsequent discretionary improvement grant should be given at a rate lower than would otherwise be the case in a Housing Action Area.

Submission of Projects

13. The Department's approval is required before a scheme is eligible for a 75% Exchequer contribution towards a higher cost limit for environmental works. Approval should be sought on form HAA/ES, shown at

Appendix A. Copies are obtainable from the Department's regional offices. The new funding arrangements will take effect from 1 December 1982. A note on the main technical considerations relevant to the selection of houses for enveloping is at Appendix B.

14. Applications should be made separately for each project and approval will be given on a project basis, not in the form of agreement to a rolling programme.

15. The procedures presently followed by authorities in regard to declaration of Housing Action Areas and the functions of the Secretary of State will apply to new Housing Action Areas proposed for enveloping schemes. In providing the documents referred to in Section 36(4)(*c*) of the Housing Act 1974, authorities should ensure that the necessary report embraces any enveloping proposals and includes a broad estimate of their cost. Authorities are invited to seek informal discussions with the Department about their enveloping proposals at an early stage, especially where the intention is to declare a new Housing Action Area specifically for enveloping.

16. In order to assess the effectiveness of the enveloping scheme the Department will monitor the impact of enveloping.

I am, Sir, your obedient servant,

J F BALLARD, *Assistant Secretary*

The Chief Executive
County Councils
District Councils
London Borough Councils
} in England
The Town Clerk, City of London
The Director-General, The Greater London Council
The Clerk and Chief Executive, The Council of the Isles of Scilly

DOE H6/2224/1

APPENDIX A

Department of Environment Form HAA/ES

Date submitted .....

ENVELOPING SCHEME [Please refer to the Notes for Guidance]

PART A. General Information

1. Local authority .....
2. Person to contact with queries .....
3. Name and Location of HAA .....

.....

4. Date of (i) Declaration ..... (ii) HAA extension .....
5. Number of dwellings (i) at declaration ☐ (ii) on completion ☐
6. Number of grants approved since declaration: improvement ☐ repair ☐ intermediate ☐ special ☐
7. Estimated total cost of environmental work (excluding enveloping) £ ..... (date .....)
8. Expenditure on environmental work so far £ .....
9. Briefly describe progress in the HAA:

PART B. Scheme Proposals

10. Name and address of enveloping scheme .....

.....

11. Number of (i) residential properties ☐ (ii) dwellings ☐ (iii) other premises ☐
12. Tenure of dwellings (numbers 0.0. ☐ pr ☐ la ☐ ha ☐ vac ☐
13. Briefly describe the following:
    (i) The properties

    (ii) Proposed enveloping work included in this submission

    (iii) Any future enveloping schemes within the HAA

    (iv) Reasons for enveloping

14. Estimated cost of work described in 13 (ii) £ ..... (excluding work beyond curtilage)
15. Estimated cost of fees £ .....

I wish to apply Signature .....

Detailed Survey required.

Enveloping scheme [Form HAA/ES] Notes for Guidance

PART A. Item 9 Please describe progress so far in the HAA, noting physical, social and economic factors, and covering house and environmental improvements. Please provide a copy of the declaration report and form SH35 where a copy has not already been supplied to the Department.

PART B. Item 10 Please provide sufficient identification for the properties included in the scheme ie blocks of numbers and street names, differentiating between LA/HA properties and the rest.

Item 13 (i) Please describe the properties eg type, date of construction, lack of amenities and state of repair. Please state if any are listed buildings or in a conservation area.

(ii) Please describe the enveloping work to each element ie chimneys, roofs, rainwater goods, walls, back extensions, doors, windows, curtilages, internal making-good, and any other item to be included in the scheme. Also describe other proposed environmental improvements associated with the enveloping work to the properties, but beyond their curtilages, including an estimate of costs, indicating whether these are covered in the estimate at item 8 above.

Please provide a copy of a site plan, a typical house plan, a specification of the work and any other documents relating to the existing properties eg photographs.

(iii) Please note any proposals for further enveloping schemes within the HAA.

(iv) Please describe the reasons for the enveloping scheme, and proposals for its management and for encouraging post-enveloping internal improvements.

Item 14 Please provide a cost breakdown of the main items of work.

Authorities should return this form to the Department of the Environment's regional office.

[Please continue on another sheet if necessary.]

APPENDIX B

Housing Action Areas for Enveloping

1. In selecting potential areas for enveloping, the main criterion should be that the areas and the houses they contain are in a condition which is bad enough to warrant intervention by a local authority but good enough to justify investment in enveloping. The following factors should therefore be assessed:

   (a) structural condition (groups which have suffered wholesale subsidence damage or with serious structural defects should be avoided);
   (b) extent to which the area has already been improved (areas where a significant proportion of the houses have been improved with the aid of renovation grants under the Housing Acts should be avoided);
   (c) social criteria of the community;
   (d) surrounding environment, in terms of physical criteria impinging on the residential area;
   (e) ownership—the stock should be predominantly in private ownership.

2. The standard package of enveloping work may comprise such items as:
   (a) renewal of roof coverings;
   (b) renewal of rainwater goods;
   (c) renewal of external doors and windows;
   (d) repair of chimney stacks;
   (e) re-pointing or re-rendering of external walls.

3. Boundary walls or fences, paths and forecourt walls and landscape works, may be repaired, rebuilt or provided. Such works as these constitute examples of environmental improvements, the cost of which should be included in the total scheme cost.

4. To achieve the full benefits of enveloping, it is highly desirable that 100% of houses in the scheme are dealt with. To this end, areas should be chosen where the majority of houses have not had significant repairs or improvements recently carried out. This is partly for reasons of priority, but also for practical reasons of implementation in administrative and financial terms.

5. Where repair works have been carried out in recent years to the external fabric of a house the extent to which that house can be enveloped will depend upon the particular circumstances. Generally, relatively new items in good condition should not be replaced unless the failure so to do would present significant practical difficulties or would seriously detract from the environmental improvement objective.

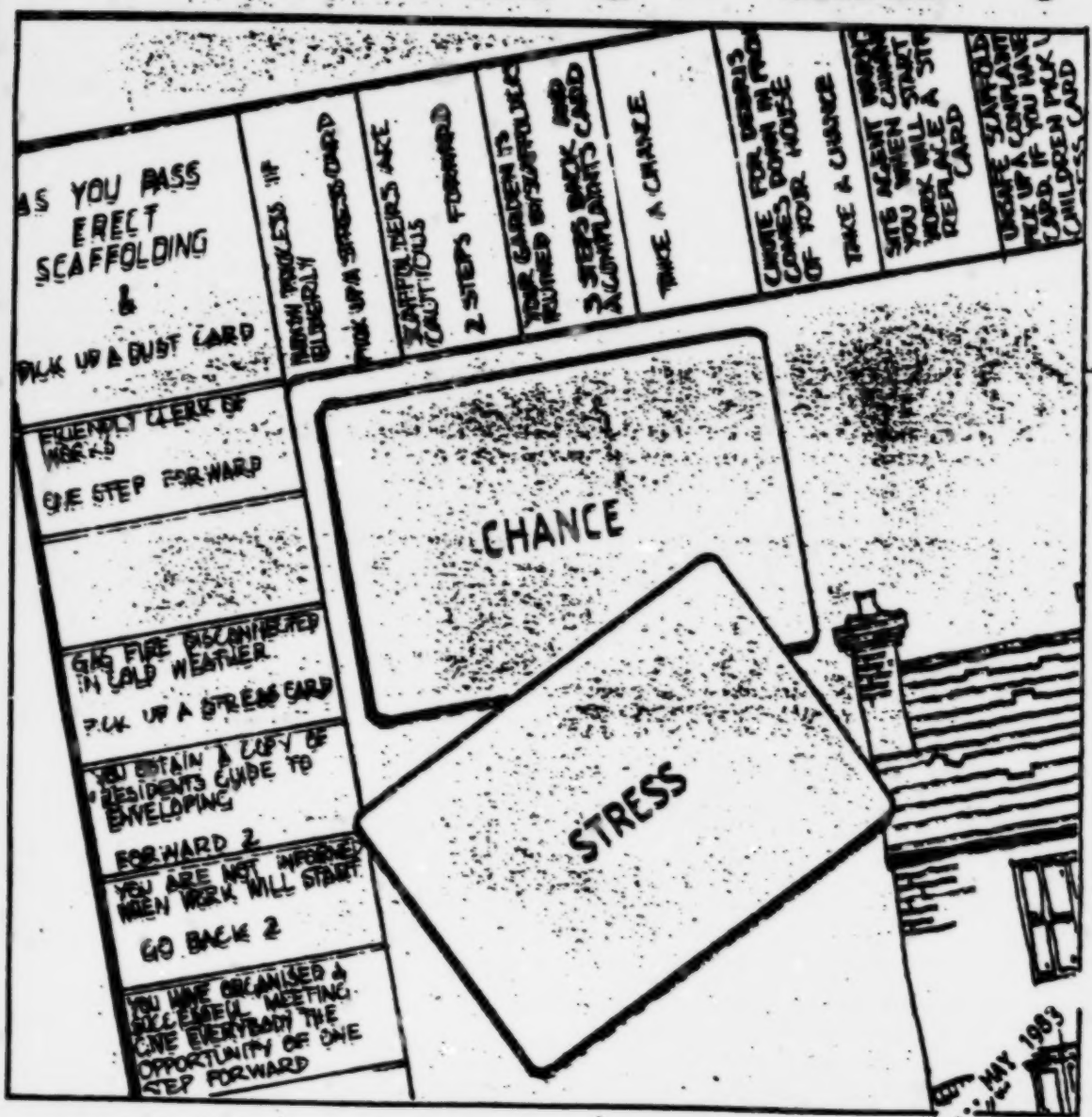
6. Decanting of residents will be necessary only in very exceptional circumstances but authorities should bear the possibility in mind.

7. Inevitably, the cost of enveloping schemes will vary not least because housing in different parts of the country has different characteristics. The costs of repairing individual houses will differ and the need for environmental improvements will vary from one area to another. It is therefore vital that a detailed survey of the dwellings is done as early as possible to facilitate sound financial and contractual planning.

8. An enveloping scheme should encourage the majority of owners to improve their houses internally. It will probably result in a significant increase in applications for improvement grants. The temptation to use the enveloping contractors for internal improvement works to individual houses should be resisted, as should the possibility of internal improvement works being carried out simultaneously by other contractors.

Printed in England for Her Majesty's Stationery Office
by Oyez Press Limited, London
Dd. 718454 C54 12/82

ARE YOU BEING ENVELOPED?


AS YOU PASS ERECT SCAFFOLDING & PICK UP A DUST CARD
FRIENDLY CLERK OF WORKS ONE STEP FORWARD
GAS FIRE DISCONNECTED IN COLD WEATHER PICK UP A STRESS CARD
YOU OBTAIN A COPY OF RESIDENTS GUIDE TO ENVELOPING FORWARD 2
YOU ARE NOT INFORMED WHEN WORK WILL START GO BACK 2
YOU HAVE ORGANISED A SUCCESSFUL MEETING GIVE EVERYBODY THE OPPORTUNITY OF ONE STEP FORWARD
CHANCE
STRESS
MAY 1983

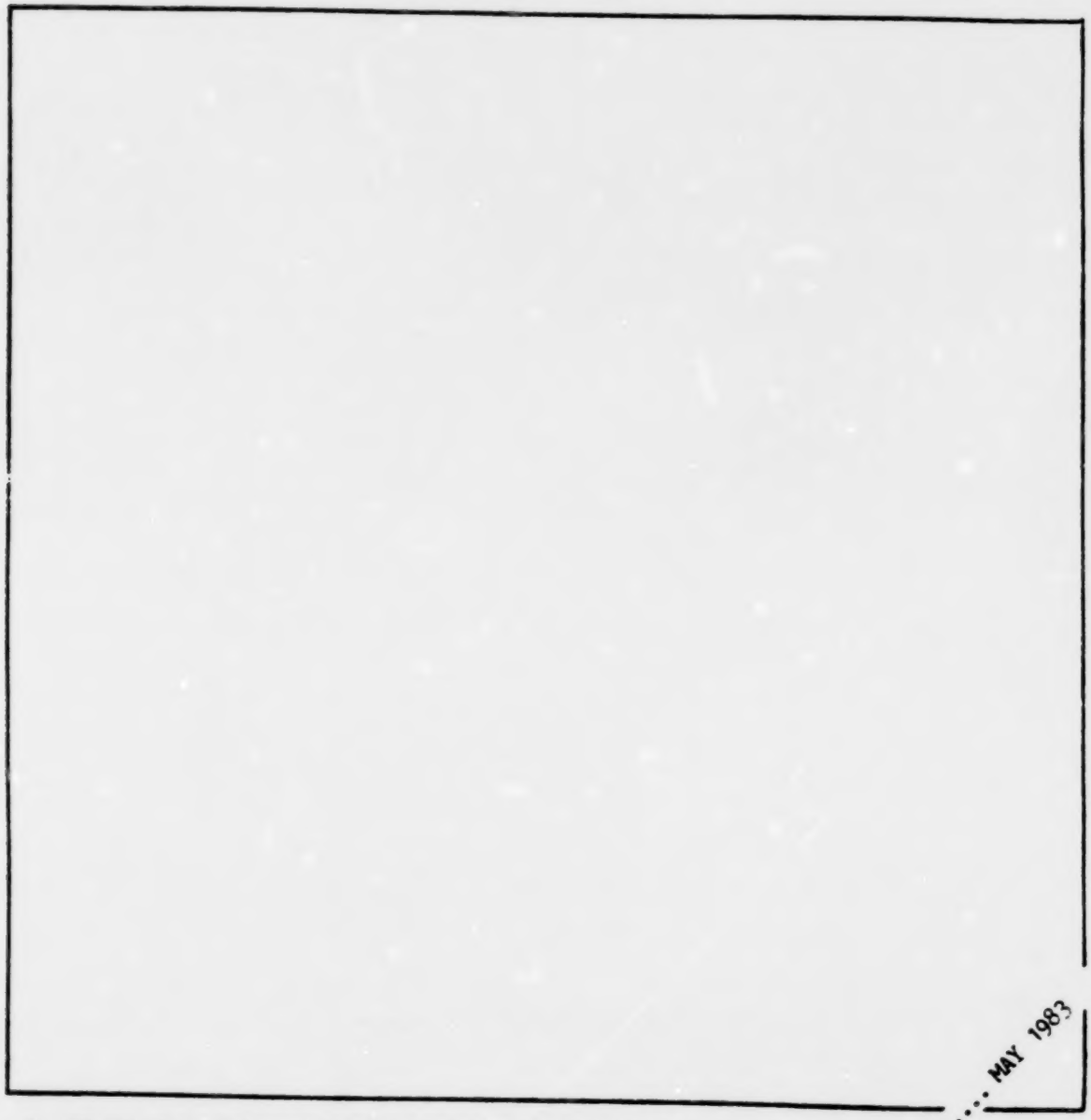
A RESIDENTS GUIDE TO ENVELOPING

Community Forum

SECOND REVISED EDITION March 1983

COVER ILLUSTRATION: This shows the corner of the Envelope Board Game; an educational game for four players designed by Hugh Byrd. The game takes four typical inner city residents through an Envelope scheme from start to finish. It is both entertaining and instructive! Copies of the game can be obtained from Community Forum, 161, Corporation Street, B'ham 4. [236-8264]. Price £3.50p.

ARE YOU BEING ENVELOPED?



A RESIDENTS GUIDE TO ENVELOPING

Community Forum

March 1983

SECOND REVISED EDITION ... MAY 1983

INTRODUCTION TO THE 2ND PRINTING

The first edition of this report was launched in March, 1983 at a Conference in Birmingham, jointly organised by Shelter and Community Forum.

Forum is very pleased that this first printing has sold so well and hope very much it will continue to reach and help a wide variety of people, especially other residents'.

We would like to dedicate this second edition to Jon Stevens, who had the vision to see that a report like this was needed and the drive to bring it into being.

He has left Community Forum after eight years of apparently unabated enthusiasm and energy and we hope this report will be seen as a reflection of the work he has done. It represents [we hope] the principles of fostering democracy and consultation, breaking down barriers between officials and the public and encouraging residents' to share their experience and skills and so help themselves and others.

ARE YOU BEING ENVELOPED? :A RESIDENTS GUIDE TO ENVELOPING.
First published by Community Forum in 1983.
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EXPLANATION

BACKGROUND

Residents' groups in Birmingham have considerable experience of the City Council's radical new approach to house improvement - Enveloping. Over the last five years Community Forum, a long established federation of residents' associations, has been drawing those experiences together and liaising with the City Council in order to achieve improvements in the management and implementation of the schemes.

Last November, when John Stanley, the Minister of Housing, announced that Enveloping was going national, Forum decided to give residents' groups in other parts of England and Wales and other interested organisations a chance to share in our experiences. To this end Forum established an Envelope Study Group to examine residents' experiences of Envelope schemes in depth and to produce a residents' guide to Enveloping!

THE ENVELOPE STUDY GROUP

The Study Group was convened by Geraldine Child, a member of Forum and of Alliance Residents' Association in Handsworth. She was joined by Pat Priestman, also of Forum and of the Balsall Heath Residents' Action Group and by Sylvia Brady, formerly of Lozells Residents' Association. All three had considerable experience of Envelope schemes in their areas and all of them had been active in liaising with the Urban Renewal Section of the City Council. These residents invited two technical advisers to join the group; Hugh Byrd, an architect, and Tim Lee, a solicitor. The Group was serviced by Jon Stevens, Community Forum's Worker.

The Group were fortunate in being able to appoint a well qualified part-time research worker. Frances Heywood was already active as Chairman of the Aston Residents' Association in dealing with a series of Envelope schemes in her own area and so she already had considerable knowledge and understanding of the Envelope process.

From November to February of this year Frances and other members of the Group carried out an intensive programme of interviews, case studies and visits. The material we gathered provided the basis for the guide which was written up over the last month. The guide is being launched at a national conference 'A Residents' Eye-View Of Enveloping' which has been organised jointly by Community Forum and Shelter.

CREDITS

The guide has been written by Frances Heywood with contributions from all members of the Envelope Study Group. The design and layout is by Jon Stevens with advice from Brian Homer. The architectural illustrations are by Hugh Byrd and the cartoons are by Martin Lealan. The report was typed by Lynn Brookes and printed by Karen Evans and Stewart Wagstaffe.

This guide could not have been written without the active support of all members of Forum Executive Committee; especially the Officers, Joyce Farley, Barry Toon, Pat Priestman and John Huzzey. Nor could it have been written without the advice and guidance provided by various residents' associations, individual residents, officials, and experts of one kind or another. A large number of people gave us a great deal of their time and went to a great deal of trouble to help us. At the same time the responsibility for the contents of the report rests entirely with the Study Group.

PART ONE
A MODEL ENVELOPE SCHEME

The main part of the guide begins by looking at the advantages and disadvantages of Enveloping as a way of improving houses. We then go on to look at the way in which Councils should be organised to run effective Envelope schemes and the preparatory work they should do with local residents. A typical Envelope building programme is described in some detail and we finish by setting out some important things which residents should take into account. Things like complaints and compensation, security and safety.

BEFORE YOU BEGIN READING THIS GUIDE WE WOULD LIKE TO STRESS THAT THE GREAT MAJORITY OF RESIDENTS IN BIRMINGHAM WHOSE HOUSES HAVE BEEN ENVELOPED ARE VERY PLEASED WITH THE END RESULT. AT THE SAME TIME WE WANT TO EMPHASISE IN THIS GUIDE JUST HOW IMPORTANT IT IS FOR ENVELOPING TO BE PROPERLY ORGANISED AND FOR RESIDENTS TO BE INVOLVED FROM THE BEGINNING TO THE END.

This is the reason why we have listed so many pitfalls and problems. Not to frighten people off, but to show just how badly things can go wrong if the organisation is lacking. If Councils get the organisation right, if they work closely with local people and if they take note of wider problems such as the danger of speculation then there is no reason why Enveloping cannot work for you.

KEY.

In the first part of the guide we have used some symbols to emphasise importants points.

A key symbol means that someone will probably have to have access to your house at this stage of the Envelope scheme.

Particular problems and complaints are listed in 'Watch Out' boxes throughout the guide.

SUGGESTIONS, GOOD IDEAS AND WARNINGS ARE MARKED WITH A SOLID BORDER.

WHAT IS ENVELOPING?

THE IMPROVEMENT OF OLDER HOUSING: ENVELOPING

Enveloping is a way of doing up the outsides of people's houses, a whole block at a time, at no cost to the residents and while they are still living in their houses.

['Envelope' means 'Outside' in architects' jargon].

Roofs, chimneys, gutters and windows are renewed and the outside of the house painted, all completely free of charge. The Council organises the work, gives the job to a contractor and all the residents have to do is sign a form giving permission. The Government claims that it is a really effective way of stopping the housing rot in Britain's cities.

For further details you should send for the Department of Environment Circular 'The Improvement of Older Housing: Enveloping.' Write to:

H.M.S.O.
49, High Holborn,
London, W.C.1 V 6H.B.

and quote the number of the document which is ISBN 0117516325. [This is Circular 29/82]. The price is £1.35. It is only a few pages and it is easy to understand. This Circular urges Local Authorities to undertake this work and if you are interested you could show it to Councillors and Council Officers and discuss it with them.

WHO CAN HAVE IT?

A full 'Envelope Scheme' can only be carried out in a Housing Action Area. It is meant for areas of old housing where the majority of houses are in private ownership, but if there are some Council or Housing Association houses in the block, they can be included.

WHAT KIND OF HOUSES CAN BE ENVELOPED?

Enveloping is a way of carrying out major repairs to groups of houses all at the same time. Ideally the houses are of a similar kind and have similar repair problems.

Obviously continuous 2 or 3 storey terraced housing is best suited to the Envelope approach and this is how Enveloping has been used in Birmingham. As a result whole Housing Action Areas have been transformed. But Enveloping can be used on different types of housing and on a smaller scale. In some areas of Birmingham quite large detached or semi-detached houses have been Enveloped. The small scale approach to Enveloping, using it as a 'mopping-up' operation, has been developed in other areas including Leeds and Leicester.

Of course Enveloping has its limits and in areas where a large number of people have improved their houses using grants it will be very difficult to work out large scale schemes. Enveloping will also be difficult and inappropriate in areas where there are lots of large houses owned by private landlords and divided up into flats. [Houses in Multiple Occupation or HMO's in housing jargon].

IS AN ENVELOPE SCHEME A GOOD IDEA?

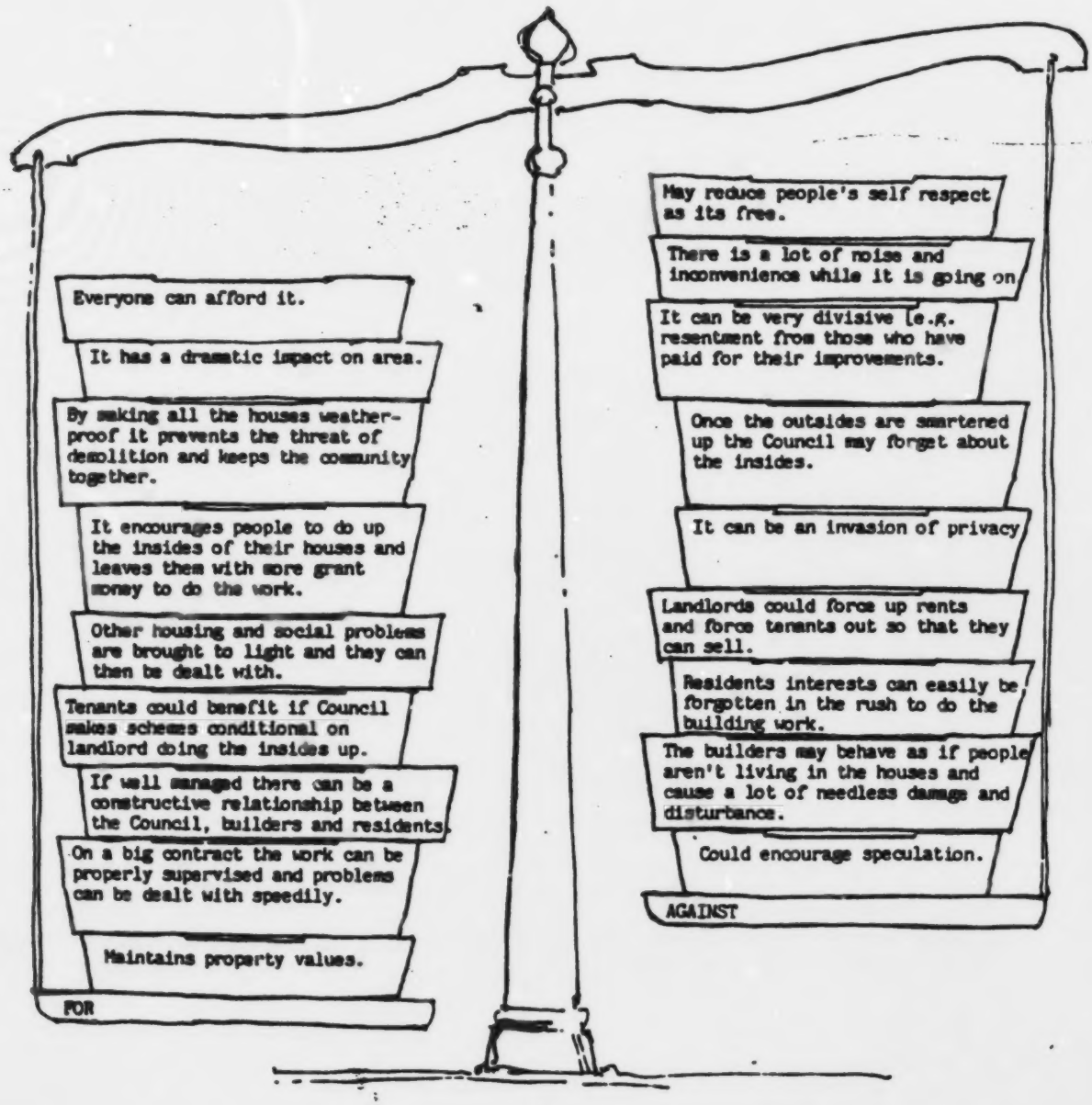
Enveloping is a wonderful way to improve the outsides of houses. It makes them weatherproof and transforms the appearance of whole streets at a time and, as it is free, everybody can afford it.

WHAT COULD THERE BE AGAINST IT?

First, it is deceptive because it changes the outsides of houses while the insides may be as grotty as ever.

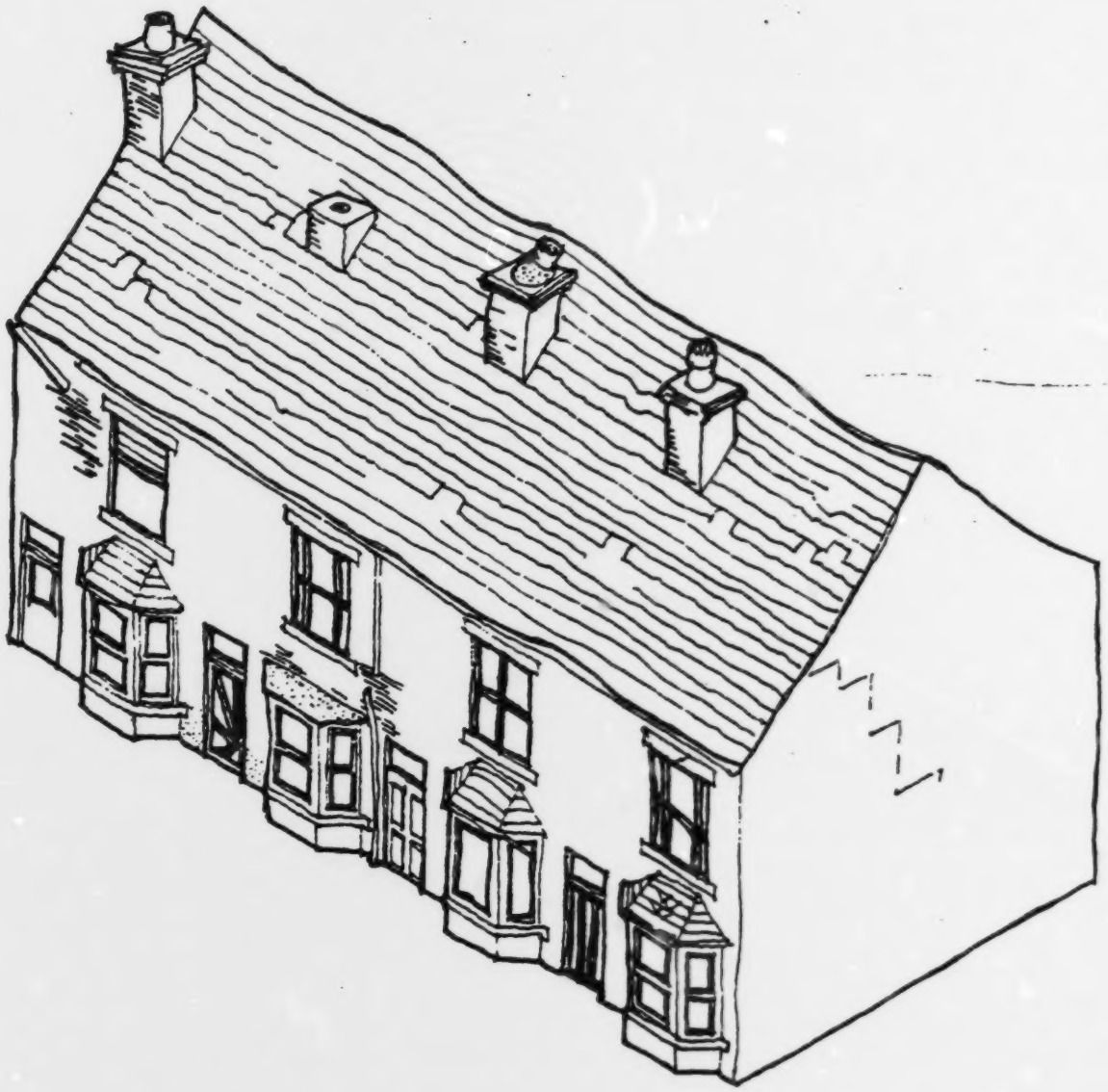
Second, when the builders remove the roof and the windows of a whole street of houses, while people are still living in them, there is considerable disruption and invasion of privacy.

Below you will see a diagram 'Enveloping In The Balance' which sets out some of the main points for and against Enveloping.


Everyone can afford it.
It has a dramatic impact on area.
By making all the houses weather-proof it prevents the threat of demolition and keeps the community together.
It encourages people to do up the insides of their houses and leaves them with more grant money to do the work.
Other housing and social problems are brought to light and they can then be dealt with.
Tenants could benefit if Council makes schemes conditional on landlord doing the insides up.
If well managed there can be a constructive relationship between the Council, builders and residents.
On a big contract the work can be properly supervised and problems can be dealt with speedily.
Maintains property values.
FOR
May reduce people's self respect as its free.
There is a lot of noise and inconvenience while it is going on.
It can be very divisive (e.g. resentment from those who have paid for their improvements.
Once the outsides are smartened up the Council may forget about the insides.
It can be an invasion of privacy
Landlords could force up rents and force tenants out so that they can sell.
Residents interests can easily be forgotten in the rush to do the building work.
The builders may behave as if people aren't living in the houses and cause a lot of needless damage and disturbance.
Could encourage speculation.
AGAINST

DO WE WANT AN ENVELOPE SCHEME IN OUR AREA?

BEFORE ENVELOPING....

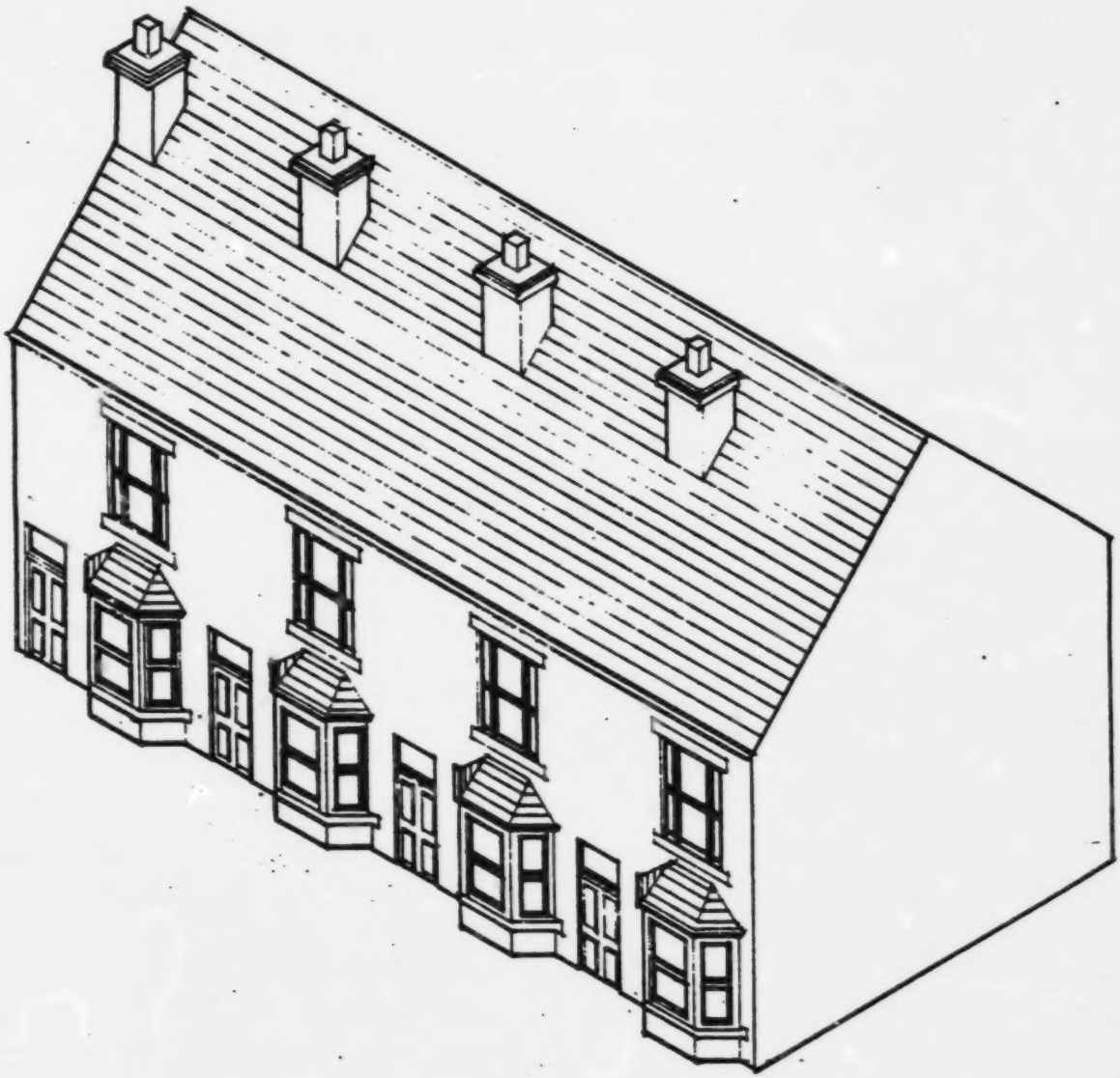


*IF THE OUTSIDES OF MOST OF THE HOUSES ARE BADLY IN NEED OF REPAIR.

*IF MOST PEOPLE CAN'T AFFORD TO DO THE REPAIRS.

*AND EVEN IF SOME OF THE HOUSES ARE OWNED BY PRIVATE LANDLORDS.

.... AND AFTER ENVELOPING



■ THE ANSWER MUST BE YES .... BUT IT MUST BE DONE PROPERLY.

THE NUMBER ONE PRIORITY FOR THE COUNCIL IS FOR THEM TO UNDERSTAND THAT WHEN THEY ARE PLANNING AN ENVELOPE SCHEME PEOPLE MUST COME FIRST. Too many officials see housing simply in 'bricks and mortar' terms; these are the people who refer to Enveloping as a 'housing stock' exercise!

THE OUTSIDES OF OUR HOUSES ARE IN A TERRIBLE STATE: BUT WE DON'T LIVE IN A HOUSING ACTION AREA.

Don't give up. There are two possible solutions:

The Government is expecting Local Authorities to declare new Housing Action Areas specially for Enveloping. There is a section in the D.o.E. Circular on this and you could campaign for it.

There are other schemes based on the 90% Repairs Grant, which some Councils have pioneered. These are not free, but they are very cheap - e.g. new roofs, gutters and windows for £400.

FOR MORE INFORMATION see 'Co-ordinated 90% Repair Grants: An Alternative Way of Enveloping' in part Two of the guide. 2

THE FIRST MOVES

Many Council s are already considering Enveloping but this shouldn't prevent you campaigning for Enveloping in your area. We hope this guide will help you to run an effective campaign and that it will also let you know about some of the pitfalls.

Once your Council has decided or been persuaded to set up an Envelope scheme or schemes then they have to apply to the Department of the Environment for permission to go ahead. The steps they have to go through are explained in the Circular. If they have to declare your area as a Housing Action Area then they will have to do a house to house survey. But if you already live in a HAA then they only have to fill in the form at the back of the Circular which doesn't require them to do a detailed survey.

When they get approval public involvement in the scheme really begins ....

FOR FURTHER THOUGHTS see 'Residents and Enveloping' on how residents should get organised both locally and across the town or city in Part Three of this guide. 3

PREPARING FOR AN ENVELOPE SCHEME

THE ORGANISATION MUST BE RIGHT

This is very, very important. If it is right, many other problems will be prevented. People are going to be living in their houses while massive renovation work goes on all around them. The builders will tend to treat people's homes like any other building site, and every day there will be problems. This is the organisation a good Council will set up:-

One Person In Charge of the Scheme from Start to Finish. A 'Project Manager' who is employed by the Council. They should;
Be familiar with the area
Get on well with people
Have a good sound knowledge of building
Be committed solely to this job

A Local Office. This could be a house or a temporary building. The Project Manager and other staff and the Clerk of Works could all work from here.

Good Communications with Residents. The Project Manager must work out a plan for keeping in touch with residents. This should include;
Leaflets and other written material.
Meetings with individual residents and groups of residents.
Public meetings, exhibitions and film shows.
Regular liaison with residents' representatives.
A daily 'complaints surgery'.

[Material should be available in appropriate foreign languages and interpreters will be needed for meetings].

Clear Lines of Responsibility. Both the Council and residents must be sure right from the start exactly who is responsible for what on the Envelope scheme and where the buck stops. See our Envelope Cast List.

COUNCILS IN A GREAT RUSH TO GET ENVELOPE SCHEMES STARTED AND COUNCILS THAT SIMPLY SEE ENVELOPING AS ANOTHER BIG BUILDING PROGRAMME MAY NOT BOTHER TO SET UP A PROPER ORGANISATION FOR YOUR AREA AND FOR OTHER AREAS. OUR EXPERIENCE HAS PROVED THAT GOOD ORGANISATION IS VERY IMPORTANT AND WITHOUT IT MANY RESIDENTS WILL SUFFER.

FOR FURTHER THOUGHTS see 'Councils and Enveloping', which includes a discussion on how Councils should be geared up for Enveloping, in Part Three of this guide. 3

SO THE COUNCIL HAS DECIDED TO 'ENVELOPE' YOUR AREA: WHAT HAPPENS NEXT?

We hope to take you through the whole process step by step and warn you what to look out for.

Note The exact order of events varies from place to place, so you may find things happening in a different order from that described here, but we hope to give you the general idea.

A PUBLIC MEETING WILL BE HELD

This should be the start of good relations between Council and residents. The point of the meeting will be:-

To explain the scheme to residents and persuade them its a good idea;

To warn them it will be messy, noisy and do some damage [but be worth it in the end].

To introduce the Project Manager and members of the team who'll be working in the area.

To spell out clearly how residents should deal with queries or complaints.

A GOOD SET UP	AND A BAD SET UP
Council sets up Project Team with local office and a Project Manager for each scheme.	Council tells the existing Improvement Section to set up Envelope schemes for the town and run them from a central office.
The Project Manager contacts local residents and sets up public meeting with Residents' Association.	Some local residents hear about schemes from a local Councillor but no public meeting is set up.
Members of the Team conduct a detailed survey and explain the scheme to each household.	Council inspectors decide to do a 1 in 10 sample survey to save time and money.
Each household is re-visited to talk over the schedule of work and to get their permission.	Residents receive a letter telling them that the Council may or may not do certain work and asking them to sign for it.
Nearly all residents sign but some old people and people who don't really understand are talked to at greater length. Eventually everyone is happy and contract documents are prepared.	There are extensive delays because many residents don't sign the forms because they can't understand them or are unhappy about them. Individual residents are chased up and at long last contract documents are prepared.
The Council calls a meeting of contractors to explain the scheme to them. They draw up a special contract with extra clauses in it to protect residents. The negotiate a contract with a reputable builder on the basis of agreed rates.	The Council puts the work out to tender to their usual list of builders and using a standard contract They accept the lowest quote even though they have doubts about the builder.
Another public meeting is held to introduce the architect, clerk of works and representatives of the contractors.	The builders start work without telling anyone. Some residents come home to find their houses covered in scaffolding.
A number of residents including frail old people are moved to temporary accommodation 'around the corner.'	One old lady hurls bricks at builders when they call at her home. At a later stage she has a nervous breakdown.
The Project Manager, architect and clerk of works supervise the work closely with daily site visits.	Various officials, the architect and clerk of works visit the site occasionally when they can fit it in.
They discuss and pursue problems and complaints with residents at a daily complaints session in the local office.	Residents with problems and complaints have to go from 'pillar to post' to try and get someone to deal with them.
One weekend there are heavy rains and roofs begin to leak. Residents ring emergency number and workmen sort it out.	Disaster; one weekend there are heavy rains and houses are flooded. There is no emergency number and the fire brigade cannot cope.
Another public meeting is held to explain that work is nearing completion and to ask residents to join in the final inspection. After that they have six months to report defects.	After many delays and a lot of disturbance work nears completion. An official and the architect carry out the final inspection without informing residents. Many problems are left outstanding.
END RESULT	END RESULT
A SUCCESSFUL ENVELOPE SCHEME AND VERY SATISFIED RESIDENTS.	AN UNSUCCESSFUL ENVELOPE SCHEME AND HIGHLY DISSATISFIED RESIDENTS.

AN ENVELOPE CAST LIST

PROJECT MANAGER

EMPLOYED BY THE COUNCIL TO OVERSEE THE WHOLE PROJECT FROM THE VERY BEGINNING TO THE VERY END. BASED IN LOCAL OFFICE. IN A SENSE HE/SHE ACTS AS THE 'CLIENT'. IT IS THEIR JOB TO CONSULT WITH RESIDENTS THROUGHOUT.

ARCHITECT

THE ARCHITECT OR SUPERVISING OFFICER CAN BE EMPLOYED BY THE COUNCIL OR BE A PRIVATE ARCHITECT CONTRACTED BY THE COUNCIL. THEY SURVEY THE HOUSES, DRAW UP SCHEDULES OF WORK AND SUPERVISE THE BUILDING CONTRACT.

CLERK OF WORKS

THE ON-SITE REPRESENTATIVE OF THE COUNCIL LIAISES BETWEEN BUILDERS AND THE ARCHITECT.

SITE AGENT

THE ON-SITE REPRESENTATIVE OF THE BUILDER OVERSEES THE FOREMEN AND BUILDING WORKERS OF VARIOUS TRADES.

WATCH OUT

Make sure a meeting is held; better late than not at all. The Council may think they can manage without one.

See that residents come. A good, attention - grabbing leaflet should help. If the Council doesn't provide one, try and do one yourselves, [see our sample]. Show people there are questions that need answering. Don't leave it to chance.

You may need leaflets in another language and an interpreter at the meeting. [Remember this will slow things up].

A film or slide show will help everybody understand better.

IT IS ESSENTIAL THAT A RESIDENTS GROUP IS FORMED AT THIS TIME [IF THERE ISN'T ONE ALREADY]. A GOOD COUNCIL WILL HELP A GROUP TO FORM AND RESPECT ITS INDEPENDENCE ONCE IT IS ESTABLISHED. OTHERWISE YOU WILL HAVE TO FORM YOUR OWN GROUP. [For ideas on this see Community Action - Action Notes. £3.50 for a set from 27, Clerkenwell Close, London, EC1].

This public meeting should be the first of several. In our diagram which contrasts a good set up with a bad set up we suggest that there should be ~~at least three big public meetings on each scheme~~. But as well as public meetings there should also be regular meetings between the residents' representatives and the Envelope team.

WE FAVOUR THE FORMATION OF SOME KIND OF 'CLIENT COMMITTEE' TO RUN EACH AND EVERY SCHEME. SUCH A COMMITTEE WOULD INCLUDE COUNCILLORS AND RESIDENTS, ELECTED AT THE FIRST PUBLIC MEETING. THE PROJECT MANAGER AND THE CONTRACTOR AND OTHER OFFICIALS WOULD REPORT TO THIS COMMITTEE.

A DETAILED SURVEY OF THE HOUSES WILL BE CARRIED OUT

Following the public meeting the Council will carry out a survey of the houses to see what work needs to be done in the Envelope scheme. This suvey provides essential information for the building contract.

The way in which the survey is organised may vary from area to area and from scheme to scheme. In some cases the Council may start by carrying out limited surveys to get a rough idea of what the Envelope scheme will involve.

But all Councils should end up by [illegible]. This will involve looking at the outside and the inside of the house to identify any special building problems. For example some houses in Birmingham have asbestos ceilings upstairs which are in a dangerous condition, these must be spotted before any work starts on the roof, or residents and builders could be at risk.

Council inspectors also need to identify any social problems which could be made worse by Enveloping. For example frail old people who won't be able to cope with any disturbance or very large families that might need to be moved to temporary accommodation [be decanted!].

WATCH OUT

Detailed surveys are expensive and time-consuming; your Council may be tempted to skimp on the survey. But inadequate surveys have caused terrible problems for builders and residents. For example an old lady hurling bricks at builders because she didn't want work to start and no-one had told her about it. Or the end wall of a house threatening to collapse, something which should have been spotted and the family having to stay in the house for several weeks because the Council couldn't find a 'decant' house.

When the inspector calls check his identity card.

If you discuss things with the inspector and he promises to deal with some problem get him to write it down.

WE ARE CONVINCED THAT A DETAILED PHYSICAL AND SOCIAL SURVEY THAT INVOLVES THE RESIDENTS OF EACH HOUSE IS ESSENTIAL. IT SHOULD TAKE PLACE AS SOON AS POSSIBLE AFTER THE INTRODUCTORY MEETING AND BEFORE RESIDENTS ARE ASKED TO GIVE THE GO AHEAD TO THE SCHEME.

Gladstone Residents & Tenants Association

SECRETARY: MRS. JEAN SMITH, 16, Constance Terrace. TEL: 611-4837

Free Envelope Scheme

Dear Resident,

As you may have heard the Council is planning to do up the outside of the houses in Gladstone Housing Action Area completely free of charge if we all agree.

We have invited our local Councillors and officers from the Improvement Project Team to come and explain the scheme to us.

THE PUBLIC MEETING WILL BE HELD IN THE CHURCH HALL, ALBERT ROAD ON THURSDAY MAY 1ST AT 7.00 P.M.

Some of the questions we hope to put to them are;

- Will each house have the same work done?
- What happens if our possessions are damaged? Can we claim compensation.
- Who will pay to have our gas fires reconnected?
- If something goes wrong at a weekend or holiday will there be an emergency service.
- Who do we contact if we have a complaint?

THIS IS A VERY IMPORTANT MEETING, PLEASE COME IF YOU CAN AND BRING THIS LEAFLET.

PLE LEAFLET ..... SAMPLE LEAFLET

YOU WILL RECEIVE A LIST OF WORK THEY ARE PLANNING TO DO TO YOUR HOUSE [A SCHEDULE] AND YOU WILL BE ASKED TO SIGN A FORM GIVING PERMISSION FOR THE WORK TO START.

Once the Council have completed the survey of your house and discussed any special problems with you they will draw up a list of jobs to be done on your house. They should then re-visit you to show you the schedule and to ask for your written permission to go ahead with the work.

It is very important that people should understand what they are signing for and what they are letting themselves in for. That is why a personal visit is so important, simply sending the forms through the post is not enough. Many people will sign them without having a clue what they are signing for.

WATCH OUT

Before you sign make sure that you fully understand;

What work is going to be done; on some forms people have simply been given lists of what 'may or may not' be done.

What unavoidable damage may occur and who will reinstate the damage; a big bone of contention is damage to decorations which can be extensive.

Who is responsible when things go wrong during and after the building contract and how to make complaints.

Any conditions which are attached to the deal; for example owners will be asked to accept that after the work is completed and the final inspection is done, they will take full responsibility for maintenance and repair.

If you are a tenant your landlord [the Council, a Housing Association or a private landlord] will be asked to sign the permission form but you should be asked to sign a form that gives 'reasonable access' to your house for the builders and in some cases you may be entitled to refuse to have the work carried out.

ALL RESIDENTS INCLUDING TENANTS MUST BE FULLY CONSULTED AT THIS STAGE. NO ONE SHOULD BE ASKED TO SIGN UP UNLESS THEY HAVE FULL INFORMATION ABOUT THE SCHEME. PEOPLE SHOULD BE GIVEN COPIES OF ALL THE DOCUMENTS AND GIVEN A HANDBOOK THAT EXPLAINS WHAT WILL HAPPEN IN THE COMING MONTHS.

FOR MORE INFORMATION on 'Owners, The Council and Builders; The Legal Position' see Part Two. At present the law on Enveloping hasn't really been tested out but we are very worried about the slapdash way in which people are being asked to sign their rights away even though Enveloping is basically a good deal for most people.

2

A MAN FROM THE GAS BOARD WILL COME AND INSPECT YOUR GAS FIRES.

This has to be done before builders can work on the chimneys. This inspection is free, but if a fire is dangerous, [e.g. if there is no proper ventilation] it will be immediately disconnected and the owner will have to pay to have it put right.

WATCH OUT

Warn residents to ask for the gas man's identity card.

Many people in your area may have saved themselves money by having gas fires fitted illegally and may not understand the risks involved. They will then resent having their fires disconnected.

THE COUNCIL WILL PULL ALL THE INFORMATION TOGETHER AND SELECT A BUILDER.

When all the surveys are done and when everyone who wants it has given permission for the work to go ahead the Council will pull all the information together and prepare the 'contract documents.'

These documents will be sent to various builders who will quote a price for the job and the Council will then decide which builder they want to use.

Residents have very little control over this stage of the work but it won't do any harm if you discuss with your Councillors and with your Project Manager some of the things which you would like the builder to do or not do. Obviously the main requirement is good quality building work but there are other things the Council should write into the contract. The builders must;

Provide all residents with clear warnings as to when work will start on their houses.

Give people dust sheets to protect furniture and carpets.

Give people auxiliary heating when gas fires are disconnected.

Clear up all building mess and avoid burning rubbish.

Make sure that the site, [i.e. your house] is as safe as possible.

Provide full compensation for damage to property and possessions.

Recognise that the satisfaction of residents is the key to the success of the scheme. They must treat all residents with respect and take particular care with vulnerable groups such as the elderly, the sick, people who don't understand English well etc. etc.

The reasons for including all of these rules and regulations will become clear as you read on. The last point about resident satisfaction is in some ways the most important. In many schemes in Birmingham there have been examples of racial prejudice and prejudice against old people etc.

THE COUNCIL MUST MAKE IT CLEAR TO EVERYONE CONCERNED WITH ENVELOPING THAT THEY WILL NOT TOLERATE UNFAIR TREATMENT OF INDIVIDUAL RESIDENTS OR GROUPS OF RESIDENTS BY CONTRACTORS OR ANYONE ELSE EMPLOYED ON THE SCHEMES.

FOR FURTHER INFORMATION on some of the problems which building workers will face in doing Envelope work see 'What About The Workers in Part Two. 2

FOR FURTHER THOUGHTS on 'The Construction Industry and Enveloping' see Part Three. 3

YOU NEED TO START THINKING ABOUT THE INSIDE OF YOUR HOUSE. ARE YOU GOING TO APPLY FOR AN IMPROVEMENT GRANT?

When the Envelope scheme is finished you'll have a new roof and new windows and doors, but the inside of your home will be more battered than it was before.

ARE YOU GOING TO APPLY FOR A GRANT?
CAN YOU AFFORD IT?

Good Councils will encourage you to apply for a 'follow-up grant' for internal works. Loans to pay for your share of the grant may be possible even if you are a pensioner or unemployed. The Council will help arrange these.

WATCH OUT

Get on with your application. The Council will have plenty to do and won't bother chasing people who don't apply.

Residents who can't prove ownership of their houses may lose the chance of a grant. They will need legal help.

This question of getting the inside improved is very important. It is probably more important to residents than it is to Councils.

THE DOE CIRCULAR ON ENVELOPING SPEAKS OF LOWER GRANTS BEING POSSIBLE BECAUSE THE OUTSIDE IS DONE FREE. GOOD COUNCILS WILL KNOW THIS IS A NONSENSE IN RECESSION HIT INNER CITY BRITAIN. IT IS THE SORT OF THINKING THAT MADE THE OLD IMPROVEMENT GRANT SYSTEM FAIL.

FOR MORE INFORMATION see 'Getting the Inside of Your House Improved' and 'Raising the Money to Pay for the Work' in Part Two of the guide. 2

WHAT HAPPENS TO PEOPLE WHO HAVE ALREADY HAD IMPROVEMENT GRANTS?

Only if the work has been really badly done will it be done again. They may be offered minor works, e.g. re-pointing and new gutters.

Some people will feel very bitter about this, especially if they are still repaying a loan for the improvement. It is unfair and all you can say in reply is that the whole area will look better, [and perhaps point out that the grant was a good offer too].

WHAT HAPPENS TO TENANTS

Do tenants benefit from Enveloping?

Do they have to give their permission?

Will it lead to rent rises and harassment?

These are really important questions for all tenants. They are difficult one's to answer because a lot depends on the attitude and commitment of your Council. A lot also depends on your landlord, which could be the Council or a Housing Association or a private landlord. Private landlords are the biggest problem.

In the earlier section on 'Giving Permission For The Work' we said how important it was for tenants to be consulted by the Council. But even if tenants are consulted it may not be easy for them to get really involved in Enveloping and in the improvement of the insides of their houses.

Despite this many tenants [but not all] will welcome Enveloping. Especially when the outside of their house is in really bad condition - roof leaking, rotten windows etc. The problems come when the outside of the house is not too bad but the inside is in really poor condition. The landlord will want to cash in on Enveloping but the tenant will have to suffer a lot of disturbance for very little improvement in living conditions.

In most cases tenants won't be able to refuse the work [by law you cannot refuse repairs] but some tenants, particularly old people, could turn down the work on the grounds that it was a breach of their tenancy agreement. That agreement provides for their 'quiet enjoyment of the premises.' Tenants thinking along these lines would need legal advice.

Another thing that worries tenants is rent rises. In our view it is totally wrong that landlords should be able to push up rents because the Council has carried out basic repairs which the landlord was responsible for. We are also worried about landlords harassing tenants out so they can sell off their Enveloped properties. We have written an information sheet on 'Tenants and Enveloping' to look at some of these problems in more detail.

MANY OF THE TENANTS PROBLEMS CAN BE OVERCOME IF THE COUNCIL IS COMMITTED TO HELPING THEM AND PROTECTING THEM. SADLY THE QUESTION OF TENANTS AND ENVELOPING HAS SCARCELY BEEN CONSIDERED BY THE GOVERNMENT AND MANY COUNCILS.

FOR MORE INFORMATION see 'Tenants and Enveloping' in Part Two of the guide. 2

FOR FURTHER THOUGHTS on the role of private landlords see 'Enveloping and the Housing Market' in Part Three. 3

VERY ELDERLY AND FRAIL PEOPLE

Many old people are fit and active and they will take Enveloping in their stride and even enjoy having the Workmen around. But the frail elderly may well find the disruption and disturbance intolerable and it may lead to a complete breakdown in their health.

The Council, landlords, other residents and builders should approach such people with great care. We suggest that frail old people are given the following options.

1 No Envelope scheme at all.

2 A partial Envelope scheme in which they choose only what work seems essential to them.

3 Moving out while a full Envelope is done.
Many old people won't like this idea but it is a good solution if they really want the work done and a house can be found really near their home.

4 A full Envelope scheme is carried out with special care being taken over auxiliary heating, protective measures etc.

WATCH OUT

Make sure old people are not bullied into having the scheme by over-enthusiastic officials.

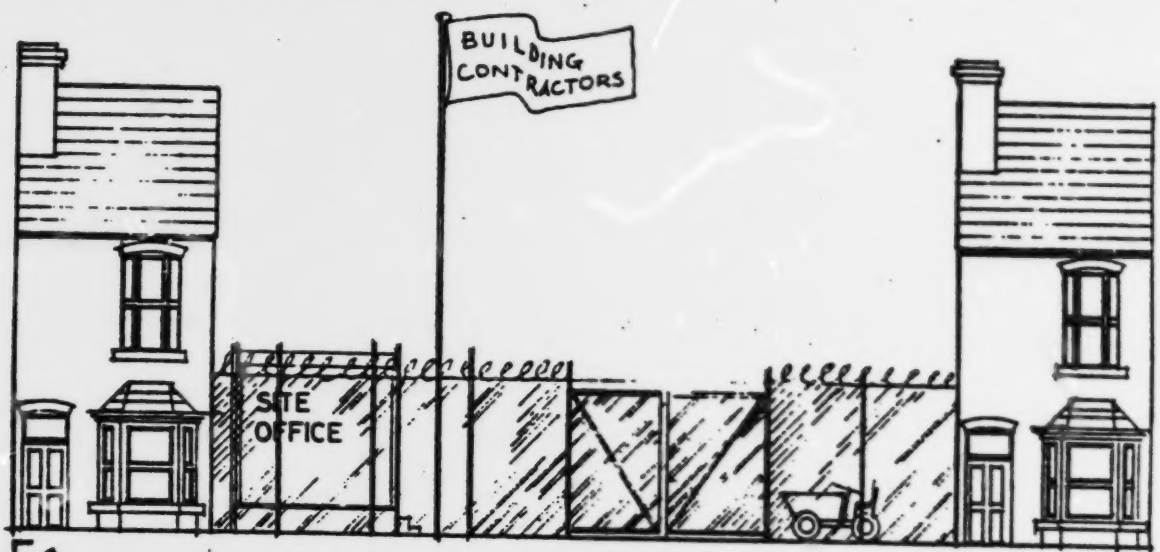
Those old people who decide not to have the work still need to be protected from the noise and disturbance caused by work on adjoining properties.

THE BEST WAY TO PROTECT ALL PEOPLE IN AN ENVELOPE SCHEME INCLUDING OLD PEOPLE IS TO HAVE A GOOD SET UP. FULL CONSULTATION WITH RESIDENTS, FULL INFORMATION AND CLEAR PROCEDURES FOR COMPLAINTS ETC.

WORK IN PROGRESS

BUILDERS WILL ARRIVE AND SET UP A COMPOUND

They will tend to act as if they own the place [indeed, they'll put a secure fence around what was once public land]. But now is a good time for a residents' group to establish friendly relations. Introduce yourselves to the Site Agent and the Foreman. You could talk a bit about the area and offer help if it is needed.



WATCH OUT

Some Contractors do not have compounds and leave piles of bricks, sand and timber in the streets. This may be messy or dangerous. Also sand washed down drains for twelve months may leave your area with a really serious problem long after the Contractors have gone. [Note: residents injured by building materials left carelessly on pavements may sue the contractors].

Beware of people stealing from the Contractors: this will not improve relations.

GET READY FOR THE START OF WORK

The start of work is very near now and you need to get ready.

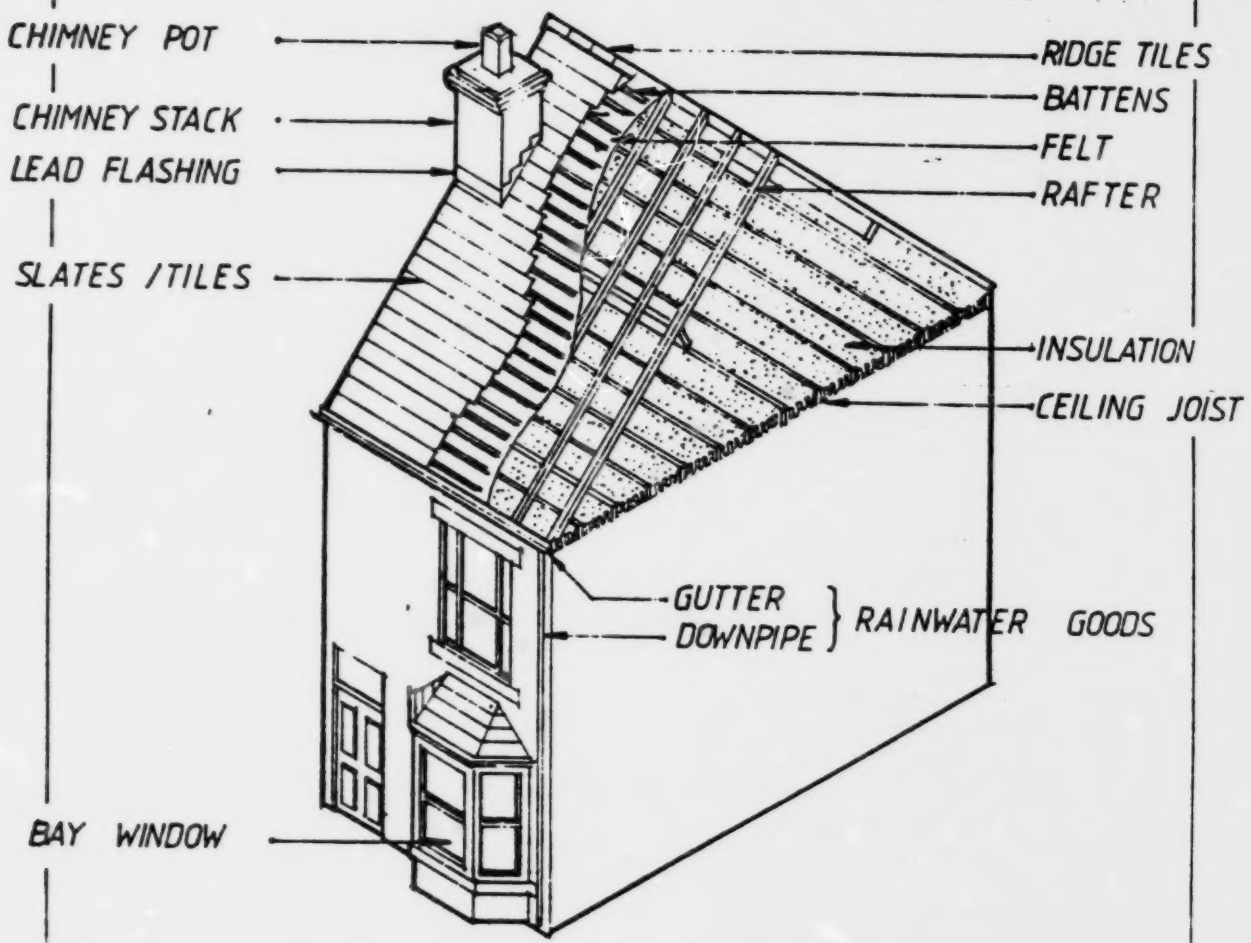
Insurance If you have a house and contents policy, you should write to your insurers, tell them what is going to be done to your house and check that you are covered.

Pack Away Breakables, valuables, books and pictures and move any precious plants that might be in the path of scaffolding.

A SUMMARY OF THE DIFFERENT STAGES OF WORK.

	SEQUENCE OF WORK	WHAT TO BE PREPARED FOR	DUSTY	NOISY	WORKMEN IN HOUSE
1	SURVEY BY ARCHITECT OR INSPECTORS	THE INSPECTOR SHOULD VISIT YOUR HOUSE AND EXPLAIN WHAT IS NEEDED AND WHAT WORK IS PLANNED. IT MAY BE MONTHS BEFORE WORK STARTS			
2	PERMISSION FORM	THIS IS NOT A CONTRACT. THE WORK LISTED IS ONLY A FIRST ESTIMATE.			
3	GAS FIRES DISCONNECTED, FLUES BLOCKED.	PUT DOWN DUST SHEETS FOR WORKMEN TO WALK ON. MAKE SURE THE FLUES ARE WELL BLOCKED			✓
4	SCAFFOLDING	GARDEN CAN BE DAMAGED BY SCAFFOLDING PROCESS. YOU MAY WANT TO TAKE DOWN THE CURTAINS.		✓	
5	CHIMNEYS DEMOLISHED AND REBUILT	MAKE SURE THAT CHIMNEY FLUES REMAIN BLOCKED. CEILINGS AROUND CHIMNEY BREAST COULD GET DAMAGED.	✓	✓	
6	SLATES/TILES & BATTENS REMOVED	CEILINGS MAY GET DAMAGED. CHIMNEYS SHOULD BE SWEPT AND GAS FIRES REINSTALLED	✓	✓	✓
7	FIRE WALLS BUILT UP	CEILINGS MAY GET DAMAGED.		✓	
8	INSULATION LAID	CEILINGS COULD STILL BE DAMAGED. CHECK THAT ALL CEILINGS ARE WELL COVERED BY INSULATION.			
9	NEW ROOF TIMBERS (IF REQUIRED), FELT & NEW SLATES/TILES.	ONCE THE FELT IS LAID THE ROOF WILL BE ALMOST WATERPROOF. IT MAY TAKE SOME TIME FOR SLATING/TILING TO BE COMPLETED		✓	
10	LEAD FLASHINGS & RIDGE TILES	THE WORST IS NOW OVER			
11	NEW GUTTERS	MAKE SURE THAT THE GUTTERS HAVE NO DEBRIS IN THEM BEFORE THE SCAFFOLDING IS REMOVED.		✓	
12	SCAFFOLDING REMOVED	THIS PROCESS CAN RUIN WHAT IS LEFT OF YOUR GARDEN			
13	RAINWATER DOWNPIPES	THIS SHOULD BE DONE AS SOON AS POSSIBLE OTHERWISE THE RAIN WILL CAUSE DAMPNESS IN YOUR HOUSE.			
14	WINDOWS, DOORS & FRAMES REPLACED	MAKE SURE DUST SHEETS ARE PROVIDED TO PROTECT FURNITURE AND CARPETS.	✓	✓	✓
15	PLASTERER	PLASTER AROUND DOOR/WINDOW FRAMES. THIS IS A VERY MESSY PROCESS AND REQUIRES DUST SHEETS. IT WILL DAMAGE WALLPAPER AROUND WINDOWS.			✓
16	CARPENTER	ARCHITRAVES AROUND DOOR AND WINDOW FRAMES. DUST SHEETS REQUIRED.			✓
17	PAINTER	PAINTS NEW WOODWORK INSIDE AND OUTSIDE. DUST SHEETS REQUIRED. WINDOWS LEFT OPEN UNTIL PAINT DRIES (MAY BE COLD).			✓
18	REPOINTING BRICKWORK	CAN BE DUSTY WHEN OLD MORTAR IS SCRAPED OUT	✓		
19	HANDOVER	MAKE SURE YOU KNOW WHEN THE HANDOVER DATE IS AND MAKE ALL COMPLAINTS OR CLAIMS FOR COMPENSATION ARE DONE BEFORE THIS DATE.			

THE MAIN PARTS OF A HOUSE THAT ARE EFFECTED BY ENVELOPING.



WATCH OUT

Where upstairs ceilings are in a poor condition they are likely to collapse when work is done on the roof and leave you without one, two or three bedrooms until they can be repaired. People with large families who fear this is likely to happen should have already asked the Council to arrange alternative accommodation. This is called 'decanting.' It needs to be arranged before disaster strikes.

Other people may also need decanting for different reasons. Make sure your Council has some emergency accommodation available.

SCAFFOLDING WILL BE ERECTED IN YOUR STREET

There will be plenty of noise from clanging poles and workmen shouting early in the morning. Nightshift workers will have a very hard time.

WATCH OUT

Scaffolding is bound to damage your garden. Move precious plants or take steps to protect them. If you tell the Foreman that you mind about your garden he may be more careful.

Workmen will be pushing wheelbarrows past your bedroom windows early in the morning. Adjust curtains to taste!

Scaffolding is dangerous and things fall from it. Take extra care of young children and pets.

If you are worried about security because of scaffolding ask the local Crime Prevention Policeman for advice.

Builders need different scaffolding for different jobs. They may take it down and put it back up two or three times during the Envelope work.

WORK WILL START ON YOUR ROOF AND CHIMNEYS

This is the dirtiest, coldest, most difficult part of the work.

STAGE ONE

Some or all of your gas fires will be taken out so that the chimney can be rebuilt and in some cases lined with a flue.

The filth of 100 years may come crashing down your chimney. A board should be put across the fire place to reduce mess, but just in case:-

Roll up precious carpet.

Take down curtains.

Cover everything else in dust sheets. Keep things covered till the fire is put back.

Your fire may be disconnected for a week sometimes much longer. The Council should write the supply of emergency heating appliances into the Contract [usually this means electric fires]. Some builders will try to do front and back separately, so there is always one downstairs room with a fire. If you are forced to use a more expensive fuel for more than a week, you might seek compensation for the difference in cost.

WATCH OUT

Make sure the emergency heating appliances are suitable; some people may not have power points to use electric fires.

Remember the builders supply the appliances, but they don't pay for the fuel.

Old people and young children will be especially at risk from the cold.

STAGE TWO

The chimney will be swept. This must be done again after the chimney has been rebuilt because of muck which has come down during building and will probably be done by one of the builders. Keep everything covered up!

STAGE THREE

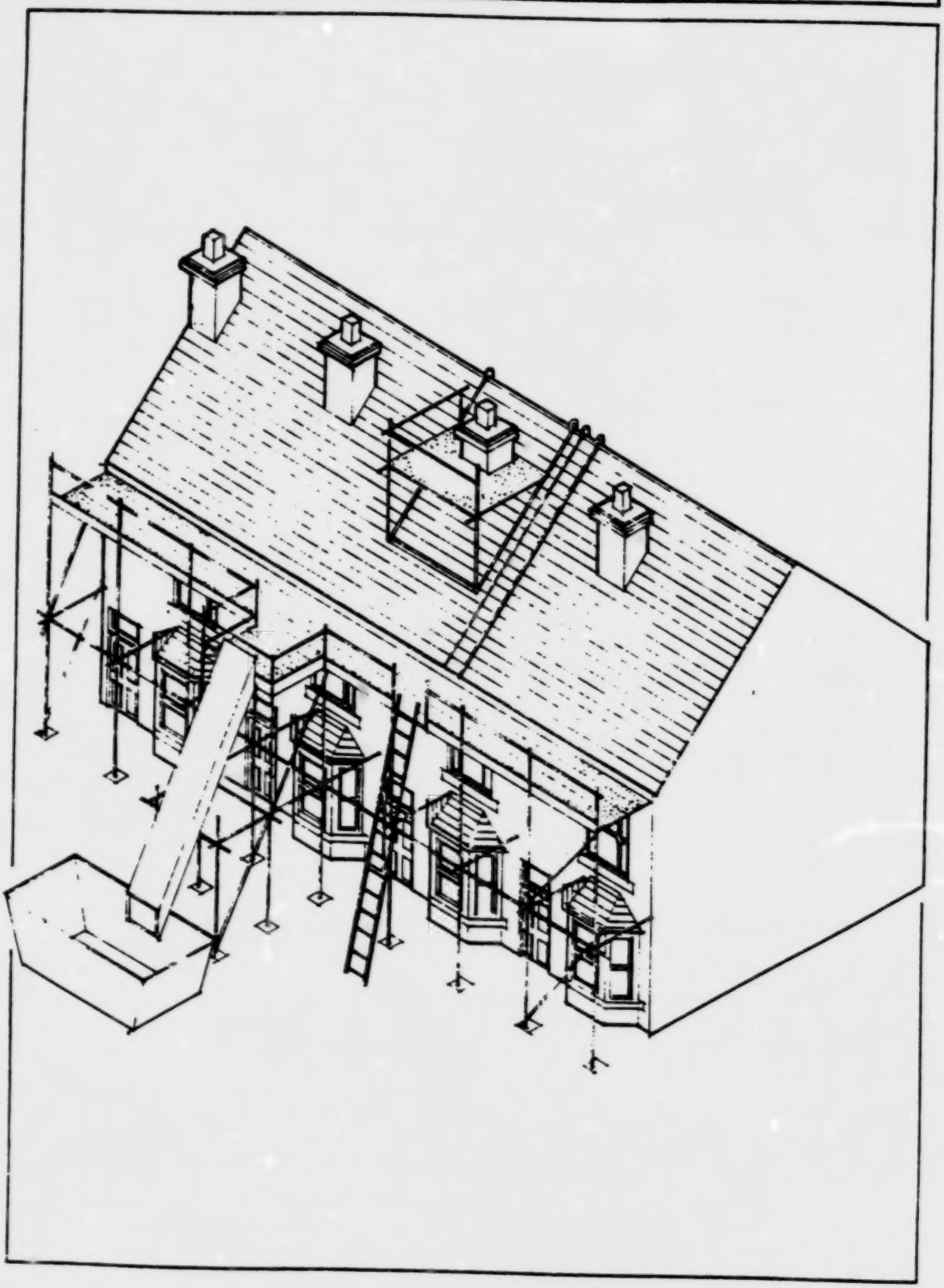
The gas fires will be re-connected. A man from the Gas Board has to do this. Once again he will need to get in. There is no charge to residents.

WATCH OUT

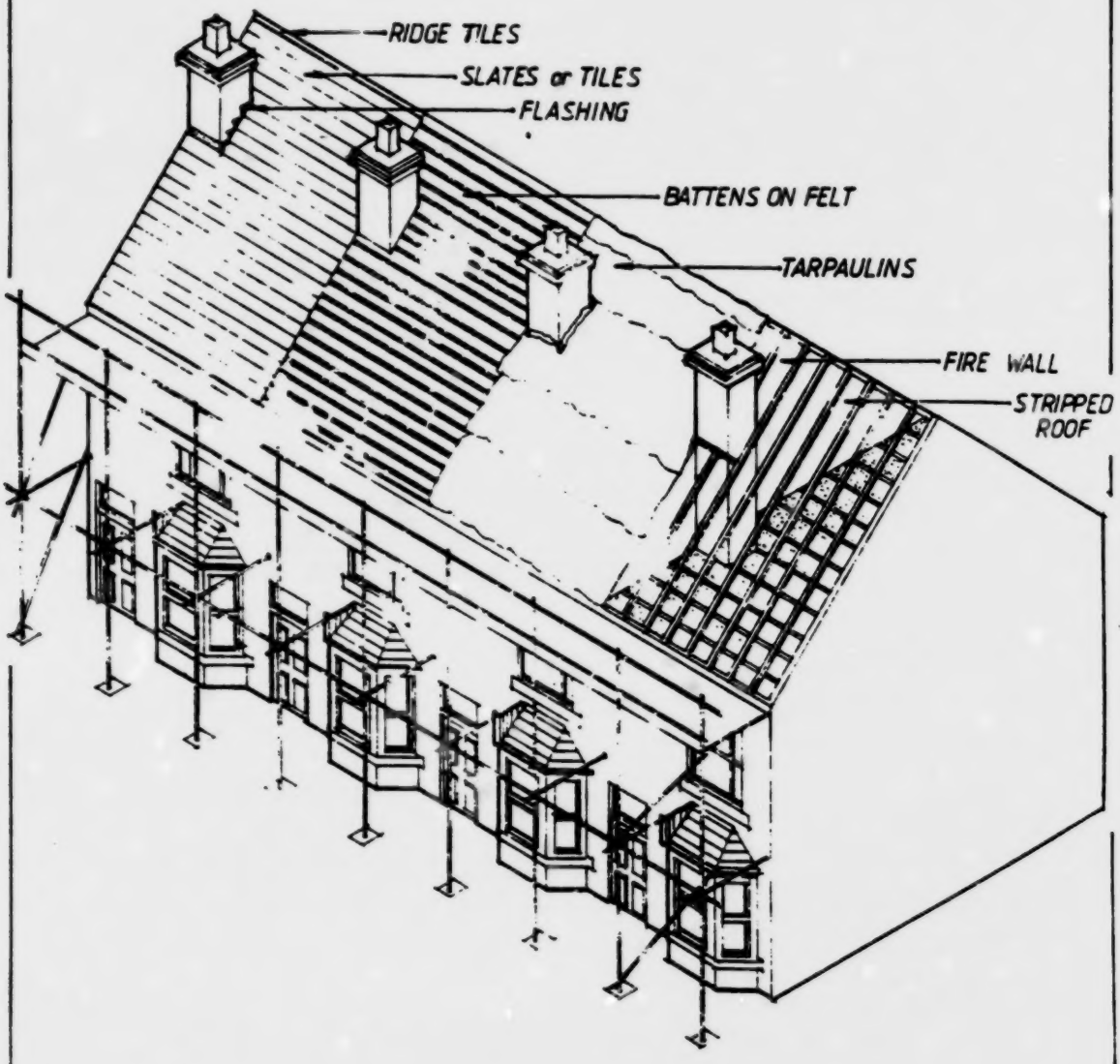
A few unscrupulous gas men have tried to charge more vulnerable residents for this re-connection. Some residents have received bills from the Gas Board for this re-connection. These bills should be given to the Contractor.

Sometimes a fire, passed as fit in the first inspection, is damaged by the builders when they take it out. The gas men may refuse to re-connect it or ask you to sign for having it repaired. Ask for help from the Council's Project Manager. If the builders have damaged your fire, they must pay for the repairs.

SCAFFOLDING FOR THE ROOF WORK
[Note the chutes for all the old slates, rubbish etc. going straight into the street].



STAGES IN THE ROOFING WORK
Starts on the right and finishes on the left.



STAGE FOUR

Workmen will strip the slates of your roof and you may have only a tarpaulin overhead for a day or two.

WATCH OUT

If you have an attic room, clear everything out before work starts. The builders may claim they "didn't know."

Make sure the builders have given an emergency telephone number. Rain may start pouring through the tarpaulins after the builders have gone home. You'll need help, fast. [Also most builders who give an emergency number tend to put the tarpaulins on more carefully, so that they won't be called out].

Be prepared for your ceiling to collapse. Dangerous ceilings should have been spotted earlier but there are always ceilings which come down by accident or unexpectedly. Move precious objects out of bedrooms and cover furniture and carpets with dust sheets.

STAGE FIVE

Any rotten or weak rafters will be replaced. If your roof is being covered with concrete tiles then the whole roof structure will need to be strengthened. The dividing walls between terrace houses [fire walls] may also need rebuilding.

When this structural work is completed roof insulation will be laid between the ceiling joists or in attic rooms it will be placed between the roof rafters. Finally the whole roof will be covered with waterproof roofing felt.

All the problems mentioned in Stage Four such as flooding and ceilings collapsing can also occur at this stage.

STAGE SIX

Any ceilings that have collapsed will be repaired, [or more often replaced]. The plasterer will come in; take down the old ceiling, [very messy]; put up plasterboard and then cover it with a skim coat.

WATCH OUT

You may not be able to use the bedroom for at least a week.

Some old ceilings are made of asbestos; dangerous to you and the workmen.

STAGE SEVEN

New slates or tiles will be put on and new lead flashings will be fixed round the chimney. New ridge tiles will be cemented along the top of the roof and television aerials will be put back.

YOUR ROOF IS NOW COMPLETE

- THE MOST COMMONLY USED SLATES ARE MADE OF ASBESTOS MIXED WITH CEMENT. THEY ARE SUPPOSED TO BE SAFE BUT WHO CAN BE SURE?

- NEW GUTTERS AND DOWN PIPES WILL BE PUT UP AND ROOFING SCAFFOLDING WILL COME DOWN

But, depending on your house, new scaffolding suitable for putting in 1st or 2nd storey windows, may go up.

WATCH OUT

That gutters are cleared of muck and debris before the scaffolding is removed.

Sometimes the downpipe can't be fitted to the gutters because the scaffolding is in the way. Water will pour down the wall of your house and you'll get damp inside the house. The downpipe should be fitted as quickly as possible.

- YOUR WINDOWS AND OUTSIDE DOOR FRAMES WILL BE REMOVED AND NEW FRAMES PUT IN.

This can be very messy and the plasterboard around the window and door openings can be extensively damaged. The new window frames should have glass put in them on the day that they are fitted, otherwise there are problems with security and the cold.

WATCH OUT

Some builders may leave windows without glass for several days, in some cases openings are simply covered in polythene sheets.

It is very unlikely that you will have any choice of frame. This is a "mass programme."

Take down curtains, cover everything with dust sheets.

Removing the window frame is bound to damage your wallpaper.

Be prepared for dirt and cold until the glass is put in.

Frames in a row of old houses may look the same but were probably made to measure. The new ones may not fit very well. Watch out for big gaps crudely filled in.

Your wiring may be disturbed by the removal of bay windows.

Doors which have to be planed down to fit may no longer be weather-proof. Ask the architect about this.

■ PLASTERERS WILL COME AND PLASTER AROUND YOUR WINDOW

If the plaster around the window opening was old and crumbling then quite a lot may have come away. Replastering is difficult and messy. Take carpets up or keep them covered.

WATCH OUT

Wallpaper is a problem: often people can't find any to match what's left and may be faced with buying paper for whole rooms. This is one of several 'hidden costs' of Enveloping.

Some contractors take out too many windows, leaving plasterers far behind. The Architect, or Project Manager can stop this.

■ A CARPENTER WILL COME TO PUT AN 'ARCHITRAVE' AROUND THE DOOR AND THE WINDOWS.

THE END IS NOW IN SIGHT!
The Painters are yet to come [keep dust sheets] and there may be additional work of one kind or another. But by and large the worst is over.

■ YOUR BRICKWORK MAY BE RE-POINTED.

This means the mortar is drilled or chipped out and new mortar put in.

WATCH OUT

If it is drilled out there will be clouds of thick dust blowing round the street.

Windows, cars and paintwork will get filthy.

Health risk for bronchitis sufferers.

■ OR YOUR HOUSE WALLS MAY BE RENDERED.

That is covered in cement mix and perhaps pebble-dash. On brick built houses this will only be done as a last resort if the bricks are no longer weather-proof. Rendering is a very messy process and will mess up the next door house too.

WATCH OUT

That windows and door openings are protected from the render.

Rendering may look nice but can get shabby very quickly and may start dropping off within a few years.

Damp may become a serious problem because the bricks can't breathe.

■ YOUR NEW WINDOWS AND DOORS WILL BE PAINTED.

The Painter will paint new woodwork inside and out. If you mind about the colour you'll have to make a fuss.

The Council will probably try to dictate the colours. A compromise would be to offer a limited choice of perhaps 6 or 8 colours. Determined people tend to get what they want.

Windows will have to be left open during painting. Cold will be a problem again.

OTHER WORK WHICH MAY BE CARRIED OUT

■ RENEWAL OF WATER AND GAS SUPPLY.

Both of these will involve digging up your front garden and taking pipes into your house.

WATCH OUT

If your cold water supply came in at the back the new pipes may run all through your living room and back room.

Make sure the new gas meter is installed somewhere that is unobtrusive.

Make sure the builders repair damaged walls, pavements etc.

■ REBUILDING OF FRONT WALLS AND OTHER ENVIRONMENTAL WORKS.

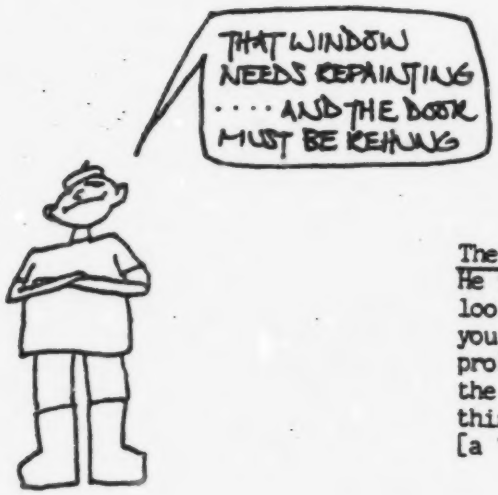
This can be a big improvement to the street and it will complement the newly Enveloped houses. But again it will create a lot of noise, dust and dirt. Front gardens may be ruined once and for all by this work.

FINALLY

■ THE COUNCIL WILL ACCEPT 'HANDOVER' OF YOUR HOUSE FROM THE BUILDER AND THE 'DEFECTS LIABILITY' PERIOD WILL BEGIN. HOW WILL YOU KNOW WHEN THIS HAPPENS?

When the work seems to be finished, various people will come and have a look at your house outside and in. Exactly who comes will vary from contract to contract. But as a rough guide it will be .....

First the Builder [that is the Site Agent and may be 1 or 2 foremen]. If he thinks it is alright he will call in .....



The Clerk of Works
He will take a closer look. He should ask you if there are any problems. He will give the Site Agent a list of things to be put right [a "snagging list"].

Finally, the Architect or Supervising Officer will be asked to accept that the work has been finished and done properly. Once he does this the builder will be paid most of his money.

This is called PRACTICAL COMPLETION. From this date the Council will keep back a sum of money for a certain length of time, commonly six months. Any defects that show up during this period must be put right by the builder. This is called the 'defects liability period.' At the end of this time there will be a final inspection and the builder will get the last of his money.

After this period the builder will still be liable for serious defects of materials or workmanship, [e.g. if all the gutters collapse under snow], but it will be much harder to get things put right.

So it is very important that you know when the handover happens.

WATCH OUT

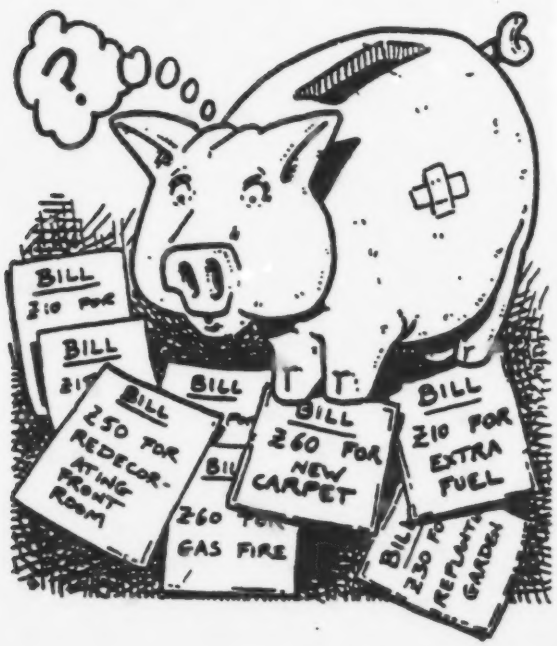
The Builder may try to get away with such things as rubbish not cleared away, doors not fitting properly, windows sticking, damage to communal areas - paving slabs smashed by dumper trucks etc.
Make sure you tell the Clerk of Works, or Architect.

If you have made a claim against the Builder, [e.g. for damaged furniture], tell the Clerk of Works, or Project Manager you would like it settled before they accept the property.

If you do have problems outstanding, write them down. Keep a copy for yourself and give one to the Project Manager. Put a date on it.

If you are normally out at work make a special effort to find out when 'Practical Completion' is agreed.

IT IS ESSENTIAL THAT RESIDENTS ARE FULLY INVOLVED IN THE PROCESS OF HANDOVER AND THAT THEY ARE TOLD ABOUT THE DEFECTS LIABILITY PERIOD. THE RESIDENT SHOULD BE ASKED TO ACCOMPANY THE ARCHITECT AT THE HANDOVER INSPECTION AND THE FINAL INSPECTION. IF THIS IS IMPRACTICAL RESIDENTS SHOULD BE ASKED TO SUPPLY A LIST OF ANY DEFECTS BEFORE BOTH INSPECTIONS.



AFTERTHOUGHT
THE HIDDEN COSTS OF ENVELOPING

THINGS YOU NEED TO KNOW

COMPLAINTS AND PROBLEMS: HOW DO I GET THINGS PUT RIGHT?

This is very important. It is absolutely essential that the Council sets up a proper system for dealing with problems and complaints as they occur.

NOT LIKE THIS..
THE ROOFS LEAKING LIKE A SIEVE ... JUST 'COS THEY DIDN'T COVER IT PROPERLY
I DONT KNOW WHAT I'M GOING TO DO ABOUT OUR ROOF..!
WHAT'S SHE TELLING ME FOR ?!
COUNCIL ROAD SWEEPER
WHY HASN'T ANYONE COME TO FIX MY ROOF!?!
S'NOWT TO DO WI ME LUV..

It is no use telling the wrong people. Tell the Project Manager. MAKE SURE YOUR COMPLAINT IS WRITTEN DOWN. This may not produce instant results. You may have to go back and remind them. But it should work in the end.

WATCH OUT

Don't complain to an ordinary Workman, though if it's fairly minor you could go to the builder's site office and tell the Site Agent.

For most complaints tell the Council's Project Manager. Make sure your complaint is written down so that a record is kept.

If nothing has happened after a day or two, go and complain again.

There has to be a place you can go to any working day to raise queries or make complaints.

This should be within easy walking distance.

Offensive remarks or behaviour should be reported to the Project Manager.

IT IS ESSENTIAL THAT THE COUNCIL ESTABLISH A CLEAR COMPLAINTS PROCEDURE RIGHT AT THE START OF AN ENVELOPE SCHEME. PEOPLE SHOULD BE ABLE TO REPORT PROBLEMS OVER THE PHONE AT ANY TIME DURING THE WORKING WEEK AND THEY SHOULD BE ABLE TO TALK TO THE PROJECT MANAGER OR THEIR DEPUTY AT A FIXED TIME [SAY BETWEEN 9.30 A.M. AND 11.00 A.M.] EACH DAY.

RESIDENTS' GROUPS CAN HELP.

By appointing street representatives to receive complaints and pass them on. This will be helpful to old people, people at work during the day and those whose English is poor. And by producing their own complaints form, [see sample]. But remember some residents' complaints may be unreasonable and you have to be prepared to say so occasionally .

IF ALL ELSE HAS FAILED, ASK YOU LOCAL COUNCILLOR TO HELP.

SAFETY: ISN'T IT DANGEROUS TO BE LIVING IN THE MIDDLE OF A BUILDING SITE?

Yes. But a good Contractor will try to keep the workforce and residents safe.

You should insist on:

Well erected scaffolding with protective fences all along the top.
Proper chutes from scaffolding to skips. Ladders properly secured.

Remember that by law all obstacles in the street, building materials, skips etc. must be stacked neatly and lit at night. Failure to do so gives injured residents the right to sue for damages.

WATCH OUT

Beware of bricks or poles falling from roofs.

Be specially careful with small children and pets.

Keep bigger children off scaffolding.

Be extra cautious of traffic. Noise of drills etc. may drown sound of approaching cars.

A SAMPLE COMPLAINTS FORM

GLADSTONE ENVELOPE SCHEME

COMPLAINT FORM

[Produced by Gladstone Residents and Tenants Association
Secretary Mrs. Jean Smith, 16, Constance Terrace,
Telephone 611-4837].

DATE:
Wednesday 8th May

NAME OF PERSON MAKING COMPLAINT:
Mrs Brown

ADDRESS:
14 Albert Road

COMPLAINT [Please give full details]

Water is coming through the ceiling in my front bedroom since the roof was done.

DATE THIS HAPPENED: Sunday 5th May

HAVE YOU MADE THIS COMPLAINT BEFORE, IF SO TO WHOM AND WHEN,
[Again give details].
Yes to the foreman but he told me to fill in a form. This was on Monday.

WHAT CAN WE DO IF WE SEE SOMETHING THAT IS UNSAFE?

1 Speak to the Site Agent.

2 Call in the Health and Safety Inspector. [Look up 'Health and Safety Executive' in the phone book and ask to speak to the Construction Inspector].

3 Look up the local branch of UCATT, [Union of Construction and Allied Technical Trades] in your directory and ask them to send an official to have a look.

WHAT ABOUT SECURITY?

During the building work all sorts of people will be in and out of your house. Most will be honest but don't put temptation in their way. Also at various stages of the work it will be much easier for people to break in to the house at night, or at weekends.

Lock all valuables away.

Put money in Post Office or Bank.

If anything goes missing tell the Police as soon as possible. [You can't claim from Insurers unless the Police are informed].

If you have an Insurance Policy remember to tell your Insurers before the Envelope scheme starts.

DAMAGE AND LOSS: WHO PAYS?

During the course of Envelope work there may be

Damage to your house
Damage to your furniture or other personal belongings
Injury to you, or your friends caused by the work
Injury to a Workman in your house caused by your negligence.
[e.g. Workman breaks leg tripping over your dog].

Also long after the work is finished, other problems may come to light which have been caused by faulty workmanship and which will cost a lot to put right.

In all these cases, who will pay? The answer, unless you are very careful, may well be "you will". One way to avoid such a disaster is to get properly insured. A Household Policy is not too expensive. The cost depends on the value of your belongings. People with no household insurance are running a fearful risk.

IT WILL HELP IF YOU HAVE PRIVATE INSURANCE.

If you haven't already got one take out a House and Contents Insurance Policy. If you are a tenant you won't have to insure the house, [unless it is an unusual sort of tenancy], but you should still insure the contents.

If you already have a Household Policy make sure it is up to-date.

As soon as you know the Envelope scheme is coming write and tell your Insurers, [just telling the weekly collector won't do]. Ask to have confirmation in writing that you will be covered during the Envelope work.

If you don't tell your Insurers in writing you may find they won't pay up.

Make sure you have a copy of your Policy and keep your payments up to-date.

Remember if you are making a claim for theft that you must tell the Police.

Beware of under-insurance.

What will my private insurance cover?

House and Contents Insurance should cover you for:

Fire, flood, theft by the builders and criminal damage.

Accidents during the work, [the builders are only liable for negligence, not for accidents].

Claims by a Workman against you, [under "occupier's liability"].

Claims by a visitor injured on your property.

What will it not cover?

Residents will find that even an "all risk" policy will not give cover for damage caused by negligence. If the builders have been negligent, your claim will be against them.

CLAIMING FROM THE BUILDER'S INSURERS.

The builders must have Public Liability Insurance. They are liable in law for:

Damage caused by their negligence.

Theft caused by their negligence [but not for theft by their workforce, unless proved].

Most claims during an Envelope scheme will be against the builder's insurers. A lot will depend on maintaining reasonable goodwill between all parties.

How do we get them to pay up?
This is a suggested action list;

1 Before the Contract starts the Council should obtain the name of the builder's insurers and make sure they have appointed a "Loss Adjustor".

2 The Council, the builders and residents should agree how claims are to be made. The builders should supply claims forms, but residents may have to produce their own, [see sample].

3 When a resident makes a large, or serious claim, they should sign nothing and get legal advice at once.

4 For smaller claims residents should fill in a claim form, [or if there is no form send a letter. If a builder denies reponsibility, write again saying you will take legal action. If there is still no settlement, get legal help.

WATCH OUT

Contractors may deny responsibility, many do this as a matter of course, to test you out. Don't let them get away with it. Get legal help.

Many people will need help making a claim: make sure they know where to go.

You may claim for unreasonable damage to garden.

If in doubt, claim but don't be too greedy.

How much should people claim?

If a five year old carpet which might have been expected to last another five years is damaged, then you should:-

Find out the current price of a new carpet of similar quality.

Claim for the proportion of the carpets life that would have been still left. [In this case the carpet had half its life left, so a resident can claim half the price of a new carpet].

HE WAS A PERSIAN KITTEN ...WORTH £26 ...AND THEN THE BUILDERS MISTOOK HIM FOR INSULATION FELT.
ACME INSURANCE
GIN
VALIUM
£26 FOR AN ALCOHOLIC MOG LIKE THAT? LOOKS WORTH ABOUT 75p TO ME.

So it doesn't matter if your belongings are old or second-hand, a claim can still be made. But remember if you are making a claim the builder will want some evidence about the extent of the damage and proof that their workmen were responsible. When damage occurs find someone who is willing to act as a witness. Keep damaged belongings, don't throw them away. You could also take photographs. If you still have a receipt for the damaged item this will also be a help.

These guidelines are accepted within the insurance world. A Court might take a harsher view of the value of your old carpet. Avoid legal action if possible!

WHAT ABOUT PERSONAL INJURY.

Anyone who gets injured as a result of Envelope work should not make a claim themselves but seek legal advice at once.

The reason for this is;

1 It may be that what seems a trivial injury could turn out to be something more serious in the long run.

2 There are legal complications which can arise in a case of this sort.

3 Any claim of this sort has to be made in Court within three years of the date of injury. Don't leave it too long to get advice.

PART TWO
FURTHER INFORMATION ON ENVELOPING

This part of the guide is made up of a series of information sheets. Some of these are factual like the one on Co-ordinated 90% Repair Grants or the one on Improvement Grants. Others are advisory like the one on loans; this is a difficult subject to give good advice on but we thought we should tackle it. The sheets on the legal position of owners and on tenants both explore questions and problems which concern us greatly. We hope we have made some sensible points but some of the legal points need to be tested in the Courts before we can be entirely sure of what we say. Finally there is a sheet which explains the difficulties facing the building workers on Envelope schemes.

INFORMATION SHEET ONE

CO-ORDINATED 90% REPAIR GRANTS

AN ALTERNATIVE WAY OF ENVELOPING

In parts of Birmingham and Walsall different schemes very similar to Enveloping have been carried out in areas which are not Housing Action Areas [these have local names such as 'Limited Envelope Scheme' or 'Co-ordinated 90% Repairs Grants'].

They are similar to the 'Enveloping' in that the Council employs a contractor to do up the outside of a whole block of houses at once. They are different in that the owners have to contribute 10% of the cost, paying up to £400 [or £550 in London] and that Councils can offer better protection to tenants.

These schemes are an imaginative way of using the 90% Repairs Grant which is available to individual householders. When employed on a whole block in this way there is likely to be a higher standard of workmanship, better supervision and less trouble for the householder.

The Council doesn't have to give you a Repair Grant, they have the power to decide whether or not you need one. In other words it is discretionary. It is available for property built before 1919 with a Rateable Value not higher than £225, [£400 in London]. The works needed have to be "substantial and structural*" but this term covers most properties of that date. The maximum amount which can be spent on each house is £4,000, [£5,500 in London]. Where a whole block is being done this money can be averaged out so that the Council could spend more than £4,000 on a house with a serious structural problem.

ADVANTAGES OF THE REPAIR GRANT APPROACH

The Council does not have to go through the process of applying for a declaration of a Housing Action Area with the risk that it may be turned down by the Secretary of State.

The owners contribute, and therefore retain more control. In Walsall, individual householders pay their share direct to the contractor, [this avoids the "what are you complaining about: it's free isn't it?" syndrome].

If you are worried that a full Envelope scheme might encourage property speculation, particularly by property companies and private landlords then a Repairs Grant scheme might be better for your area. This is because there are conditions attached to the grants. These mean that owners who take up the grant can only re-sell to another owner-occupier within 5 years of having the Grant. And landlords have to provide a 'certificate of availability for letting' which is designed to ensure that the property stays as rented accommodation for 5 years. It should be said that both owners and landlords frequently get round Grant conditions.

The other good thing about 90% Repairs Grants at the moment is that everyone can have one. There is no means test. This arrangement only runs until April, 1984.

DISADVANTAGES OF THE REPAIR GRANT APPROACH

As houseowners have to contribute to the scheme and it depends on having whole blocks done at a time the Council will have to work harder to persuade people to join in.

People with neighbours who can't or won't join in could suffer [but this hasn't been common].

It won't be suitable for very large houses or houses with awkward roofs or other problems where the cost of the work would be much higher than the maximum amount which the Council can spend.

Some people won't be able to afford their share.

Even using all of the money on ordinary houses it is likely that less work will be done than with a full Envelope scheme.

An Envelope scheme may include properties built after 1919, but a Repairs Grant scheme can't.

IT ALSO REDUCES THE AMOUNT WHICH CAN BE SPENT ON IMPROVEMENTS.

The amount spent on repairing your house using a Repairs Grant is supposed to be taken away from the amount which you can spent on improving your house using an Improvement Grant. So if £4,000 is spent on repairs this will only leave you with £4,500 for improvements or in London if you spend £5,500 on repairs this will leave only £6,000 for improvements.

Councils are pressing for a change in this rule, either to abolish it altogether or to raise the total sum which can be spent on improvement.

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* Substantial And Structural Defects.

The DoE Circular [21/80] gives a guideline list of points that count as 'substantial and structural' defects. If any of the following are defective, the house will qualify for a Repairs Grant; roof and gutters, chimneys, walls and brickwork, doors and door frames, damp-proof course, foundations, ground floor, upper floor, floor joists, internal walls and ceilings, staircase, [but of course, the grant remains at the discretion of the Local Authority].

INFORMATION SHEET TWO

OWNERS, THE COUNCIL AND BUILDERS: THE LEGAL POSITION

DO RESIDENTS SIGN A CONTRACT?

In an Envelope scheme there is a contract between the Local Authority and the builders. There is no contract as such between the resident who is having the work done and the builders, nor between the resident and the Local Authority.

So far the schemes have depended very much on goodwill which works well for a lot of people a lot of the time, but offers no safety net when serious problems occur which inevitably they will.

WHAT IS THE RESIDENT ASKED TO SIGN THEN?

Some Councils have been using a form which tries to do a number of jobs all at once and does not do them all properly. If you sign a form like this you will bind yourself to all the various agreements, some reasonable, some less so.

First of all there is a list of works which may be done to your house. The problem is the form doesn't tell you exactly what works the Council is going to carry out on your house. Also the descriptions of the work which may be done are very vague. A phrase like "make good or renew roof" could mean anything from replacing one or two slates to complete stripping, renewal of rafters and re-slating. This vagueness leaves residents in a weak position if, for instance, they assume their windows will be replaced because everybody else's have been, but the Council suddenly decides to economise as the Contract is overspent.

FOR THIS SECTION OF THE FORM WE THINK IT IS ESSENTIAL THAT THERE IS A SEPARATE MORE ACCURATE SCHEDULE OF WORKS.

Then follow a number of clauses: we give some samples to help you understand what you may be signing:-

> "I confirm that I agree to ..... Council's Contractors entering upon my property to carry out any of the works listed."

This clause simply gives the builders access to your land to carry out the work.

> "I understand that internal decorations following the works will be my responsibility."

This points out that after the work has been done neither the builders, nor the Local Authority are under a duty to you to redecorate. But it doesn't make clear what happens when a builder damages internal decorations through negligence, [e.g. rain through roof, foot through ceiling etc.].

"I understand that after expiration of a six months maintenance period and final inspection for satisfaction by the City Architect's representative, the works will become the entire responsibility of the building owner and that the Council shall not have any further responsibility, or liability therefor."

This is the most important and most dangerous clause of all. We would strongly recommend against signing any document containing it.

What the Council is trying to do is to make it clear to owners that it is not undertaking maintenance of their property for ever. The owners must accept the property back and understand that they are now responsible for maintenance and repairs.

BUT this clause goes beyond that. It states that after the six months Defects Liability Period, the Council will not take responsibility for any work that has been done badly, or that is defective. It is quite wrong for the Council to try and avoid their responsibility in this way. The contract was between them and the builder and they had a duty to inspect the work and make sure it was done properly.

The inspection of the house when the work has been carried out is perhaps the most important step in the whole process. If the inspection is carried out by someone who is not properly trained or if it is carried out carelessly, examples of bad workmanship, or defects will be missed.

There is also the possibility of serious defects which could not have been spotted during inspection and which only come to light, perhaps after several years. [These could be faults of design or specification, as well as faults in building].

■ IT IS TOTALLY WRONG FOR THE COUNCIL TO TRY TO ESCAPE LIABILITY FOR THE BUILDING WORK BY PUTTING IN A CLAUSE LIKE THIS.

■ WHAT SHOULD RESIDENTS DO?

You would be very unwise to sign a form containing a clause like 3 above. But there may be considerable pressure from the Local Authority to sign the form or lose the chance of Enveloping.

Perhaps a group of residents could take concerted action and request a more reasonable alternative to this clause.

■ A POSSIBLE ALTERNATIVE

We think a clause like this would be better;

"I understand that six months after the work is finished the Council will carry out a final inspection of the work. I understand that after that inspection the Council are no longer responsible to <u>maintain and repair</u> the works."

This makes a clear distinction between an obligation to maintain in ordinary circumstances [for which the Council is not liable] and an obligation to compensate for defects which were missed because inspection was not carried out properly, or because there was a design fault [for which the Council or builder could still be liable].

INFORMATION SHEET THREE

GETTING THE INSIDE OF YOUR HOUSE IMPROVED

WHAT GRANTS ARE AVAILABLE?

Until very recently, different levels of grant for internal improvement were available to people depending on whether they lived in a Housing Action Area, General Improvement Area, or elsewhere. Now the rules have changed so that what matters most is what state the house is in and how well off the person applying for a grant is.

Rules on grants are constantly changing and the best way to get advice is to have a friendly Local Authority Officer who understands all the ins and outs and who will help you. A good Council will employ officers who can adapt and use the rules at any given time to the best advantage of the people. But if such help is not available, local groups can send for the DoE Circular No.21/80 [Welsh Circular No.42/80], which gives all the details of grants. There is also a short booklet 'Home Improvement Grants' Housing Booklet No.14, available from the DoE. [It should also be available free from CAB's, Rent Officers, Housing Aid Centres etc].

Having said all this we will try and outline some of the main facts on Home Improvement Grants as they stand in Spring 1983.

IMPROVEMENT GRANTS

Who can apply?

Anyone whose home is in a poor state of repair can apply for an Improvement Grant though the Council is not obliged to give it. Tenants and Council tenants can also apply. [See information sheet on 'Tenants and Enveloping'.]

How much work will the Grant cover?

~~Local Authorities are allowed to approve work for grant aid up to a maximum~~ total cost of £8,500 [£11,500 in London] of which they will pay either 75% or 90% ~~depending on the applicants circumstances.~~ This is called the Eligible Expense. Anything over this figure will have to be paid for in full by the applicant. As it would be very easy to spend this amount [and a lot more] on most houses, the person drawing up the schedule of work to be done will have to try and see how best to use the money to do what most needs doing and what the owner most wants.

How much will the applicant have to pay?

This depends on what % of grant you qualify for, and how much work you have done. Here are a few examples.

Eligible Expense	Actual Cost of Work	Rate of Grant	Cost to Owner or Tenant
£	£	£	£
11,500	11,500	75%	2,875
11,500	11,500	90%	1,150
8,500	8,500	90%	850
8,500	9,500	90%	1,850
8,500	4,500	90%	450

Who is eligible for a 90% Grant

In areas where Enveloping has taken place most of the residents will be eligible for the 90% grant. People who get rate rebate, or supplementary benefit, qualify automatically. So do old age pensioners with no other source of income. Many other people qualify as well. They will have to fill in a detailed form about their income and outgoings. This grant is discretionary and the final decision will lie with the Council. The guidelines from the DoE are generous, but their interpretation will vary from place to place.

Can you have less work done if you can't afford more?

If residents cannot afford the amount of work that would guarantee a 30 year life for their home Councils are now allowed to give a Reduced Standard Grant. Also, where improvements to the whole house would cost a lot more than the maximum Eligible Expense, [e.g. on big houses with wing buildings], the Council may now give a grant just for the main block of the house.

What if we have had a Co-ordinated Repairs Grant and not an Envelope Scheme?

You can still apply for an Improvement Grant but the amount may be reduced. [See the information sheet on the Co-ordinated Repairs Grant].

What are the conditions on Improvement Grants?

The standard of work carried out has to be passed as satisfactory by a Local Authority Inspector, as a condition of the grant. In the past, much work has been passed that was not in fact satisfactory. Make sure the Inspector examines the work carefully!

The rule whereby an owner-occupier had to sign an undertaking not to re-sell for five years [on pain of repaying a % of the grant] has recently been relaxed. But the use of the property must remain constant. An owner-occupier may only sell to another owner-occupier and if a landlord sells to another landlord the property must remain available for letting.

How will the Council help with organising the internal improvement work?

Unlike an Envelope scheme, an Improvement Grant scheme will be a private contract between the resident and a builder. However some Councils will offer an "agency service" whereby, for a fee, they will choose a Contractor, make all the arrangements and supervise the work. You will always be free to make your own arrangements if you prefer but experience of "cowboy" builders all over the country suggests that you might be wise to find out what services the Council offers and take advantage of them.

Is it a good idea to move out while the internal improvements are done?

If major works are involved and if you get the chance, yes. [But check your insurance position very carefully]. Some Councils may help with finding "decant" property for you to move into while the work is going on, or pay the rent if you make a private arrangement. Birmingham has stopped selling Council-owned houses in some Envelope areas because of the desperate shortage of decant houses.

OTHER GRANTS FOR INTERNAL WORK.

In times of cut-back the Intermediate Grant may be almost the only one available as it is there as of right [mandatory]. It is intended to supply basic amenities to a house that hasn't got them [and some money towards repairs] and a householder who lacks any one of them may apply.

The basic amenities are:-

Bath or shower
Sink
Washbasin
Inside W.C.
Hot and cold water supply

Householders will receive 90% of the cost of any missing amenity [up to a certain maximum] and 90% of any repairs work up to £2,500 [£3,500 in London].

For private landlords there is a Special Grant which is an extended Intermediate Grant which includes an allowance of up to £6,750 for a fire escape [£9,000 in London], as well as money for amenities.

HOUSING GRANTS AT A GLANCE.

NAME OF GRANT	WHAT IT IS FOR	MAXIMUM ELIGIBLE EXPENSE	% PAID BY COUNCIL AND WHO IS ELIGIBLE	CONDITIONS OR HAZARDS	WHETHER DISCRETIONARY
Improvement Grant	Improving whole house or inside only if outside has already been improved	£8,500 [£11,500 in London] but less if resident has already received Repairs Grant, or other Grant.	UP TO 75%. For people in poor housing of reasonable means, [there are other lower rates for cases of less priority, but there are unlikely to be granted at present.	If Grant is given to owner-occupier, house must remain in owner-occupation, [should only be sold to another owner-occupier.]	Discretionary
			UP TO 90%. In cases of hardship people in receipt of Rate Rebate or Supplementary Benefit, or living solely on Retirement Pension qualify automatically. Others may do as well.	Landlords must sign undertaking that house will remain available for letting.	Discretionary and means tested.
Intermediate Grant	To provide missing basic amenities and some repairs.	UP TO £1,900 [£2,500 in London] for amenities + £2,500 [£3,500 in London] for repairs.	90% of a stipulated maximum sum for each amenity and 90% for repairs.	This is only for amenities and repairs, not improvements. This % only applies if application for grant is made before April 1984.	Mandatory but no means test.
Special Grant	Is a special Intermediate Grant for houses in multi-occupation.	£6,750 for a fire escape. [£9,000 in London] + £2,500 [£3,500] for other things	Stipulated amounts for extra amenities.	See DoE Circular 21/80	Mandatory
Repairs Grant	To put right major defects as stipulated in 1980 Housing Act. 13 guide-line points listed in DoE Circular 21/80.	£4,000 [£5,500 in London]	90% no means test. Anyone eligible if house is not rated over £225 [£400 in London]. Doesn't have to be HAA or GIA but house must be pre 1919.	These conditions valid for applications made before April 1984. Conditions on re-sale same as for Improvement Grants. Liable to reduce amount of Improvement Grant available subsequently.	Discretionary and no means test.
Conditional Repairs Grant	As above but for landlords	As above	90% as above. Landlords get same Grant but Council stipulates extra conditions.	As above but in addition landlord must [1] apply for Grant to do internal improvement where necessary. [2] apply for a fair rent ruling. [3] sign undertaking that property will remain available for letting.	As above.

INFORMATION SHEET FOUR

RAISING THE MONEY TO PAY FOR THE WORK

THERE ARE VARIOUS SOURCES OF MONEY

After the Envelope scheme, many residents will want to improve the inside of their homes. Even with a 90% Grant this could mean finding £500-£1,000. For people in work the amount might be between £1,500 and £4,000. There are various sources of money which may be considered and below is a brief outline of the options.

SAVINGS

People on a low income who have some savings would probably do better to use their savings rather than take out a loan [providing they don't leave themselves with nothing at all].

BANK LOAN

For small loans, [e.g. under £500], a personal loan from a Bank at a reasonable rate of interest could be the best option. Bank Managers have considerable discretion in giving loans and may do so without demanding proof of ownership of the property, or any specific security. Residents will probably do best to approach a Branch within, or near the neighbourhood where the Manager knows what is going on and is sympathetic. [Council Officials can help by arranging to meet and discuss the issues with local Bank Managers.] The Bank Manager will lend if he believes he will get the money back within a reasonable period, [normally 2-3 years, perhaps extending to 5].

One local Branch Manager in a Housing Action Area has lent to unemployed residents, without security, because he knows them, or they have been recommended to him by someone he knows and he believes they will pay the money back. This is for small sums e.g. £350 to pay for a Co-ordinated Repairs Grant Scheme. Other Managers have asked for some sort of security, [e.g. a Life Assurance Policy]. Some Banks, however, have been known to charge rather high interest rates, [e.g. 18%], for this sort of personal loan. A great deal depends on the Manager and it is worth shopping around.

BUILDING SOCIETY MORTGAGES

Some Building Societies have recently made a dramatic change in policy and are willing to lend on properties in inner city areas which were formerly 'red-lined'. Obviously, if the future of an area is likely to be secured by large-scale improvement works, it makes good sense for them to lend £500 on a property which will then have £5,000 spent on it.

Several Building Societies have shown themselves anxious to become involved, including the Abbey National, Leeds, Halifax, Nationwide and Midshires. Local Government Officers can set up a special arrangement with one of these in a particular geographical area and so help oil the wheels between the Building Society and residents needing loans. One problem has been that whereas senior management have agreed to help, they haven't always told the staff in their Branches, so residents have gone along and been told that the Society doesn't lend money for home improvements to people who don't already have a mortgage with them. This would normally be true, and residents have to insist that there is a 'special arrangement.'

Any loan from a Building Society, however small, classifies as a mortgage, which means that the Deeds of the house will have to be deposited with the Building Society as security until the loan is paid off. People, especially older people, who own their house outright may not like the idea of taking out of mortgage. They should seek good advice and consider carefully before taking this step.

People who already have a mortgage with the Building Society in question may ask to have their mortgage 'topped up'. Those who have a mortgage with a different Building Society may have to transfer that mortgage to the Society that is prepared to give loans for improvement work. There will be fees to pay for both these services.

The main disadvantage of a Building Society loan is that they are not allowed by law to give it without arranging their own survey of your property. This, together with charges, adds up to an extra cost of about £100, which is expensive if you are only borrowing £350. [If, however, you want to borrow more later you won't have to pay this survey fee again]. For a larger loan [to carry out improvement work inside, for instance], a Building Society is a good choice.

Building Societies may also be willing to make Interest Only loans to certain groups of people. These Interest Only loans, sometimes called Maturity Loans were devised to help older people who could afford modest interest payments, but not the repayment of the capital. While they stay in the house they pay only the interest on the loan and in the event of their death, or their leaving the house, the capital may be reclaimed out of their 'estate' if the house is sold; or their heirs may take over the loan. This can be a good way of helping an older person use their only capital asset. their house, to improve their comfort and standard of living.

Unemployed people and others in hardship may also secure Interest Only loans from a Building Society, providing DHSS will agree to pay the interest. [See below].

■ PRIVATE LOAN FROM FRIENDS AND RELATIONS

There is nothing more guaranteed to ruin a good friendship than one person owing another money. It will not be a good idea if the borrower is going to have trouble paying the money back, or the lender is likely to get into difficulties himself and find he needs the money back.

With these provisions borrowing from friends is fine and has the advantage that the friend is unlikely to charge interest.

■ FINANCE HOUSE OR MONEYLENDER [NOT RECOMMENDED].

Their interest rates are likely to put an undue burden on the borrower and they will not be very sympathetic should problems occur. For fans of Coronation Street remember what happened to Stan Ogden!

■ LOAN FROM THE COUNCIL

Local Authorities have in the past been an important source of loans to householders in inner city areas. Government controls are now making it very hard for them to continue. The changed attitudes of Banks and Building Societies may have lessened the need for Local Authority lending to some extent, but it is still an important safety net. It may be the only answer for those in great need, or with particular problems, [e.g. a house that might be rejected by a Building Society as 'unsound'].

PAYMENT OF INTEREST ON LOANS BY THE DHSS

THIS MUST BE APPROACHED WITH GREAT CAUTION

In theory the DHSS do have the power to pay the interest on loans of up to £25,000 for those people on Supplementary Benefit. This power is normally used to help people with mortgages who have lost their job.

But it could be used to cover the payments on a Maturity Loan or Interest Only Loan. It would be up to the local DHSS office to decide if they would take on these payments and any resident who wanted to obtain a loan and have the DHSS pay would have to negotiate with them beforehand. Also if you had any capital over £300 this would have to be taken into account.

In Birmingham there are a number of experimental schemes where the Council, a Building Society and the DHSS have made an arrangment whereby unemployed people or old people could have their interest payments covered. But it is too early to say how it is working out.

TAX RELIEF

Remember you could get tax relief on loans, or mortgages from your Bank or Building Society.

INFORMATION SHEET FIVE

TENANTS AND ENVELOPING

TENANTS AND THE ENVELOPE SCHEME

The Envelope scheme was started as an answer to the problems of poor home-owners, so it does not answer a number of common problems of tenants - problems like the internal condition of the house, harassment and lack of standard amentities.

An Envelope scheme will help tenants who are suffering because of the external state of the property, [e.g. a leaking roof]. It may also help them if the Council chooses to use the scheme to put pressure on landlords to make internal improvements. But in some cases it may make their problems worse, as outlined below.

Remember it does not affect a tenant's legal rights

BEFORE THE 'ENVELOPE' STARTS

The good Local Authority will contact all affected tenants and offer advice and support. Failing this you could get together with other tenants in your area and form a 'Tenants Action Group'. As a tenant you can refuse to have 'Improvements' done if you don't want the work. Any tenancy agreement includes a 'covenant for quiet enjoyment' which means the landlord agrees to leave you in peace in your home. BUT you cannot legally refuse repairs. Your landlord in entitled to reasonable access to carry out repairs.

Most Envelope work would probably classify as repairs rather than improvement but this has not yet [as far as we know] been tested in Court.

HOW TENANTS MIGHT SUFFER BECAUSE OF AN ENVELOPE SCHEME

Landlords may decide to put off doing repairs which the Envelope scheme is soon going to cover - and a Court might take the view that this is reasonable.

After the Envelope the value of the property will have increased and the landlord might want to sell. This might lead to harassment.

The rent might go up.

Tenants may be left with a lot of interior decoration to do.

The Envelope scheme is likely to mean a lot of extra work for local Environmental Health Officers who may then claim they "don't have time" to help individual tenants take action against bad landlords.

HOW CAN TENANTS GET THE INSIDES OF THEIR HOUSES IMPROVED?

After the Envelope, the outside of your home may look brand new while the inside is still in a dreadful state of disrepair. There are a number of possibilities open to you.

1 Landlord's Improvement Grant

Generous grants are available to landlords for internal improvements. See information sheet entitled 'Getting the Inside of Your House Improved.' Ideally you or your Environmental Health Officer [EHO] will be able to persuade the landlord to apply for a grant.

2 Compulsory Improvement

If your landlord won't improve the inside of the house voluntarily then tenants have the right to ask the Council to step in and insist that the landlord carries out improvements. The various compulsory improvement powers that a Council has are set out in Part VIII of the 1974 Housing Act.

3 Tenant's Improvement Grant

A tenant also has the right to apply for an Improvement Grant, [see same section above]. The disadvantage is that you would be paying toward improvement of property you don't own, but if you intend to stay there a long time it might well be worthwhile.

4 Action under Housing Acts, or the Public Health Acts

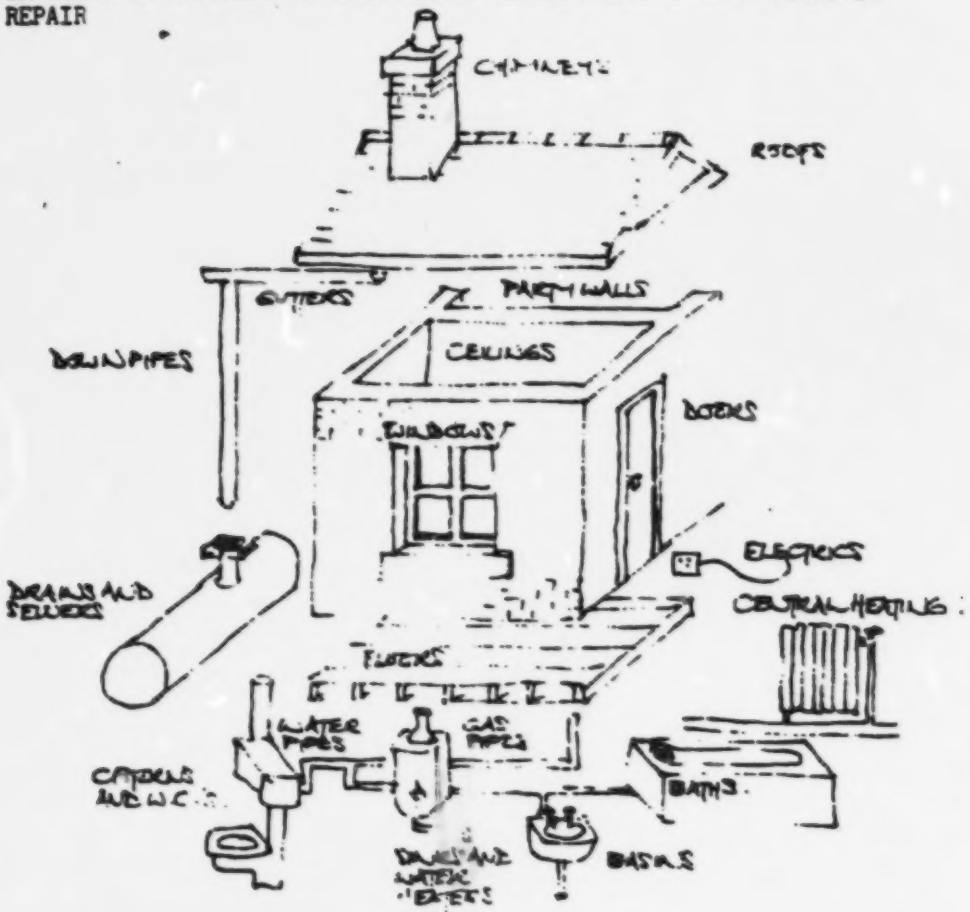
If a property is unfit or in a serious state of disrepair or if it is 'prejudicial to health' or a 'statutory nuisance' there are steps which can be taken and you should get expert advice from your EHO, Law Centre, Citizens Advice Bureau, or a solicitor, [you may qualify under the Legal Advice and Assistance Scheme].

These Acts will help tenants living in really bad conditions but the standard of repair expected by the law is not necessarily all that high and you certainly cannot expect to get a brand new interior by taking action in this way.

5 Other Possibilities

Most landlords are obliged by their tenancy agreements to keep certain things in proper repair as illustrated below.

YOUR LANDLORD IS SUPPOSED TO KEEP ALL OF THESE PARTS OF YOUR HOUSE IN GOOD REPAIR



Tenants wanting to hold their landlords to these obligations should get advice from the sources mentioned above.

AFTER THE ENVELOPE SCHEME

Can the Landlord put the rent up?

Only with your agreement! Under the Rent Acts there are provisions for something called a Fair Rent to be fixed by somebody called the Rent Officer.

If you have a Fair Rent fixed the rent can only go up if the landlord makes an application to the Rent Officer on the grounds that there has been a change in the condition of the property. The fact that the landlord has not himself paid for the work and that Envelope work is mainly repairs rather than improvements will probably weaken the landlord's case.

If you don't have a Fair Rent fixed, your position will depend on the agreement you have with the landlord. Again, if in doubt, seek advice. The Rent Officer can be found under 'Rent Officer' in the 'phone book.

Who pays for decorations?

The Envelope scheme does a lot of damage to wallpaper etc. but unless your tenancy agreement says something different, decorating inside your home is still your legal responsibility.

If you are on Supplementary Benefit, write to your DHSS Office to claim a single payment for the cost of decorating materials.

NOTE: Some Housing Associations have undertaken this work for their tenants, even though they are not obliged to.

What happens if something goes wrong with the new roof, windows etc?

The Envelope does not affect your legal rights and your landlord remains responsible for repairs, even though they are caused by someone else's shoddy work. [e.g. if the roof starts to leak you could, after taking proper advice, take proceedings against the landlord to put it right].

In this respect you are better off than a home-owner.

How to avoid being turned out of your home

Most tenants of houses or flats have Security of Tenure under the Rent Acts. This means they have the right to stay put unless a Court makes an order requiring them to leave. This can only be done on certain grounds set out in the Rent Acts and before an application is even made to the Court a Notice to Quit in proper form has to be served.

If you are served with a Notice to Quit, get proper advice straight away and without delay [from Advice Centre, Law Centre, Citizens Advice Bureau, or solicitor, you may well qualify for Legal Aid].

The same advice applies if the landlord offers you money to leave, or harasses you in any way. In this case you could also contact the Council's Harassment Officer, or Tenancy Relations Officer for help.

Further information on tenant's rights is given in a series of booklets produced by the Department of the Environment. You should be able to get copies from your CAB or local advice centre.

Housing Booklet 1 "The Tenant's Charter" for public sector tenants.
Housing Booklet 7 "Regulated Tenancies" for private sector tenants.
Housing Booklet 14 "Home Improvement Grants" for all tenants.

INFORMATION SHEET SIX

WHAT ABOUT THE WORKERS ?

THE PROBLEMS BUILDING WORKERS HAVE TO FACE

"I HATE RE-MODS" was scrawled up on a pile of window frames inside a builder's compound. "It was like a jail sentance" said a Foreman describing the moment he was told he had to work on an Envelope scheme.

Builders will come in for a lot of criticism during an Envelope scheme, but their job is sometimes difficult and unpleasant and we list here some of the special problems they may face.

Working in dirty and unhealthy conditions.

Having to clear rubbish-filled entries and gardens.

Difficulties in gaining access. Time is wasted searching for keys from house to house.

Unwillingness of residents to put themselves out to make things easier, e.g. "I'm not moving it: that's your job". "You can't do it now, I'm going out".

Pilfering by residents.

Being blamed for damage they haven't caused.

Language problems, making it almost impossible to communicate with some residents. Tempers can get frayed and accusations of rudeness fly in both directions.

Listening to endless grumbles and complaints. "Why have you done her first?" "Why has he got more new rafters than me?" "Why has she got a new aerial? "She never had one before" etc. etc.

In the face of all these difficulties some Site Agents and Foremen have shown remarkable qualities of getting on with people and keeping both workforce and residents reasonably happy.

Residents' groups should do what they can to get people to co-operate with and help the builders; not just sit back and grumble. If there are serious problems between workers and residents then get in touch with the main building worker's union, UCATT, and they may be able to help.

PART THREE
FURTHER THOUGHTS ON ENVELOPING

In the final part of the guide we look at some of the questions and issues surrounding Enveloping. In our history of the Envelope idea we show that the construction industry and building professionals played a big part in lobbying the Government over Enveloping as well as Birmingham Council and other Councils. We go on to stress how important it is for residents to get themselves organised and we look in detail at how Councils should gear themselves up for Enveloping. We state that Councils must work for and with residents and to do this they should set up local teams with skilled and experienced staff. Then we look at how Councils should deal with the construction industry, what steps they should take to make sure that they get a good service from building professionals and contractors. Finally we look at Enveloping and the housing market and we express the view that unless controls are introduced Enveloping could become 'a speculator's charter'.

A HISTORY OF THE ENVELOPE IDEA

THE URBAN RENEWAL PROGRAMME.

In 1973 Birmingham's Labour controlled Council launched a massive programme of house improvement in the inner areas of Birmingham. The Urban Renewal Programme, as it was called, aimed at carrying out major repairs and improvements to 80,000 houses by 1983. To get things moving Birmingham set up 8 locally based Project Teams and they planned to declare over 60 General Improvement Areas and 28 Renewal Areas [most of these were later declared as Housing Action Areas].

1976, A DEVELOPING CRISIS

Within three years it was clear that the Council had no hope of meeting their targets. The main reasons for this were;

People couldn't afford to improve even with Grants and to make matters worse the process of getting a Grant was complicated and very slow.

The money allocated to house improvement by the Government was totally inadequate and the ceilings on Grant expenditure were way below building costs.

Many of the worst houses were owned by private landlords and most of them had no intention of improving them; it just wasn't worth their while despite the Grants.

When people did scrape the money together and get the work done, they often regretted it because of the very low standards of workmanship. All too often small builders turned out to be 'cowboy' builders.

The workings of the inner-city housing market provided little incentive to people. Money invested in house improvement was not reflected in an increased market value. The only people making money out of the market were money lenders and a few unscrupulous estate agents and solicitors.

AN ALTERNATIVE TO MUNICIPALISATION

The only course open to the Council seemed to be for them to step in, buy up the houses and improve them [municipalisation, as it is called]. The Conservatives who took over the Council in 1976 were totally opposed to this [and so were many residents when they looked at the record of Birmingham's Housing Department]. Instead the Leader of the Council called for a report on how much it would cost to 'finish off' four specimen areas; the first four Housing Action Areas in Birmingham.

In early 1977 the officers came up with a report on how much it would cost and how it could be organised; but where would the money come from? Help was on the way from the Labour Government, in March 1977 Denis Healey, the Chancellor of the Exchequer announced a £100 million rescue package for the construction industry. In August 1977 Birmingham decided to spend £2 million of their money on a 'facelift' for two areas in Saltley and Small Heath.

THE FACELIFT SCHEME

Between the end of 1977 and the middle of 1979 almost 800 houses in the two areas had extensive work done to their roofs and to the fronts of the houses. The residents didn't have to pay anything for the work; all they had to do was to give the Council permission to work on their houses. There was close consultation between the Urban Renewal Project Team in each area and local residents. The Council was keen to get it right and it is fair to say that despite a number of teething problems most residents were pleased with the outcome.

FACELIFTS BECOME ENVELOPES.

The Conservative Council were delighted with the schemes so in early 1978 they made a bid to Central Government for more money to carry out further schemes. This time they hoped to use Inner City Partnership funds to pay for the work. The new schemes were called Envelope schemes; the Council had learn't from the Facelift schemes and now they wanted to repair the whole of the outside of each house [the building envelope] instead of just the roofs and fronts. The Council's main argument for Enveloping was that it would 'promote owner-occupation' and that it would 'stimulate private investment'. The then Labour Housing Minister, Reg Freeson, refused to give Birmingham the go ahead for Enveloping. Apparently the Department of Environment were worried about the 'cost implications' of the approach if it was used all over the country. It wasn't until August 1979 that the new Conservative Housing Minister, John Stanley, gave the schemes his blessing and even then he was at pains to point out that they were "experimental".

ENVELOPING TAKES OFF

In the last three years Enveloping has really taken off in Birmingham. There have also been a number of smaller schemes in Leicester, Leeds and Hull. When John Stanley announced the national Envelope scheme in October 1982 the Government had already approved 28 Envelope schemes costing £13.5 million and in Birmigham over 2,000 houses had been Enveloped.

RESIDENTS' REACTIONS

In the short term most residents in Birmingham have welcomed Enveloping. But particularly [illegible] are some of the points raised in Community Forum reports and newsletters since 1979.

> Should private landlords benefit from Enveloping? [Feb.79]. And if they do shouldn't they have to repay the Council if they sell the property [April '79].
>
> The workmanship on Envelope schemes is not as good as expected. Could Direct Labour provide an alternative? [Oct '79].
>
> The rights of individual owners need to be clarified. [April 1980].
>
> Residents need to be consulted more fully before, during and after the schemes. The procedures for making complaints are inadequate. [Oct. 1981].
>
> The management of the scheme is becoming more centralised and more heavy handed. [Oct. 1981].
>
> Some landlords are exploiting the schemes by pushing up rents and harassing tenants. [Mar. 1982].
>
> Will owners be able to maintain and repair their Enveloped houses? [Mar. 1982].

THE ENVELOPE LOBBY

When the full story of Enveloping comes to be written, people will ask "Why did this particular approach to house improvement take off?" "What were the reasons for its success." The first thing to say is that Enveloping hasn't become national policy just because it is a good idea and a sensible way of doing things. Nor has it been introduced simply to improve living conditions in the inner city. Ever since the Facelift scheme was launched in Birmingham in 1977 a number of powerful groups and organisations have been lobbying the Government, trying to persuade them that Enveloping was the way forward.

We have already seen how the first Facelift schemes got off the ground as a result of the Conservative Council's desire to prevent municipalisation and promote owner-occupation and as a result of the construction industry's lobbying of the Labour Government for a rescue package.

This was the start of a process of lobbying which lasted five years and which ended with the Government Circular on Enveloping in December 1982. And throughout that time those organisations most active in pressurising the Government were the big building companies and professionals involved in the building industry as well as Councils who wanted to maintain inner-city owner-occupation and who were worried about the deteriorating housing stock.

Of course many of the people involved in the lobbying were concerned about the people who lived in the old run down houses. But many others supported Enveloping for quite different reasons; because there was profit in it for them, because of their political views, because of the prestige of being associated with a new idea.

In the City of Birmingham's 'Envelope Scheme - Monitoring Report' published in October, 1981 there is virtually no mention of housing needs and social problems. Instead we hear that as a result of Enveloping "owner-occupation is retained", "private financial institutions .... are willing to invest in the area", "increased stability is brought to the area", "commercial and industrial employers ... . have renewed their involvement in the areas" and "large experienced contractors .... are brought into house improvement."

The way in which Enveloping has become national policy is not unusual. Residents may not be aware of it, but this kind of lobbying goes on all the time in the 'corridors of power'. There are some very interesting parallels between the Tower Block lobby of the 1950's and 1960's and the Envelope lobby of the 1980's. In both cases building companies and professionals played a big part in persuading the Government to go ahead. To sum up residents should realise that Enveloping is not just being done for their benefit.

Note The early history of the Facelift scheme is covered in detail in the Birmingham Community Development Project Report 'From Failure To Facelift' [1979].

RESIDENTS AND ENVELOPING

RESIDENTS MUST BE ORGANISED LOCALLY.

Although there are a number of powerful organisations with a stake in Enveloping this doesn't mean that residents have no power. All through this guide we have

said how important it is for residents to get organised and to press for the schemes to be run in a way that really benefits all residents. Our experiences in Birmingham have shown that residents' groups can have some influence.

To give an example; all Envelope schemes generate their fair share of complaints about damage to property, bad workmanship etc. etc. Despite this obvious fact there was no clear complaints procedure on Birmingham's first large scale Envelope scheme in the St. Silas area of Lozells. Such a procedure was only introduced following a public meeting called by the Lozells Residents' Association at which they produced a dossier of examples of damage and bad workmanship etc. Local protest on this scheme also lead to the establishment of a 24 hour emergency service.

There is no doubt that if there hadn't been an active and forceful residents' association in Lozells many of their complaints and problems would not have been dealt with and the Council wouldn't have changed the way in which they were running the building contract.

■ RESIDENTS MUST ALSO BE ORGANISED ACROSS TOWN

Despite the introduction of a clear complaints procedure and an emergency service in the St. Silas HAA this did not become standard practice on subsequent Envelope schemes. Local action had been successful in achieving local reforms, but this had not lead to an overall change in the Council's approach to Enveloping. The only way to achieve overall change was for groups to get together city-wide.

This is exactly what happened in Birmingham last November when Community Forum called a meeting to discuss a series of disasters that had overtaken Envelope schemes in three areas of Birmingham. The newspaper cutting below summarises some of the points put forward at the meeting.

'Shoddy work' claim on housing scheme

Birmingham City Council is being called to rethink its controversial "envelope" housing scheme following scores of allegations of shoddy workmanship by "cowboy" contractors.

The residents' action group, Community Forum, claims it has been flooded with complaints from all areas of the city. It is now demanding talks with housing chiefs to end the problem before the scheme is launched nationally.

Under the scheme — which is being pioneered by Birmingham — the outside "envelopes" of entire blocks of old houses are completely restructured at no cost to the occupier.

It is being run as part of the city's multi-million pound urban renewal programme. One of its primary aims is to encourage residents to take responsibility for internal decoration of their homes.

However, the chairman of Community Forum, Miss Joyce Farley, claims many residents are discouraged because of the poor standard of outside work done so far.

She alleges that:

- Houses are being left for days without roofing tiles, leaving water to pour in through inadequate plastic sheets, wrecking furniture and bringing down ceilings.
- Householders are never given prior warnings of when builders are to arrive.
- Complaints have been made of poor work on windows, fireplaces, chimneys and roofs.

"We approve of the scheme in principle but these contractors are nothing but cowboys in many cases," she said.

Investigated

The city's assistant environmental officer, Mr. Terry Brunt said the Housing Urban Renewal Committee had been informed and all complaints would be investigated.

"On a scheme of this scale you are bound to get complaints. Each one is investigated individually and if there is a genuine problem it is dealt with," he said.

"If contractors do not perform well the city has the power to end their contracts. City architects and clerks of works are always on site when work is going on."

Birmingham Evening Mail 24.11.82

After the meeting Forum's Committee drew up a list of recommendations as to how the management of Envelope schemes could be improved. [These recommendations included the need for a clear complaints procedure and a 24 hour emergency service on all contracts]. Although the Council has not been prepared to discuss these recommendations with Forum in a sensible way, it is very significant that since November they have introduced a number of changes that correspond directly to our suggestions.

The lesson is clear. In towns and cities where the Council is developing a programme of Envelope schemes residents' groups from the affected areas should get together to discuss common problems and common ideas. Only in this way can they press for overall changes in the way the Council is running their Envelope schemes.

COUNCILS AND ENVELOPING

HOUSE IMPROVEMENT, THE NATIONAL FAILURE

In our history of the Envelope idea we said that in Birmingham by 1976 residents, councillors and officers had all come to the conclusion that the Improvement Grant system was hopelessly inadequate as a means of tackling the problems of our decaying older housing.

Unfortunately it has taken another seven years for the Government to come to the same conclusion. And, for all its merits, the Envelope approach will still only scratch the surface of the problem. To make matters worse we have serious doubts about the ability of most Councils when it comes to running an effective Envelope programme. After all most Councils have a terrible record when it comes to house improvement; for example since 1974 Councils in England and Wales have only declared 500 Housing Action Areas containing 150,000 houses. 10% of the total HAA programme is in Birmingham so heaven knows what other Authorities have been up to.

Given that Birmingham has a relatively good record on house improvement and given that inner city residents' groups and Community Forum have played a big part in making the programme work, we feel that we are qualified to make some points about how Councils should organise themselves to run an Envelope programme. But we must add that many of these ideas would have to be adapted to local circumstances.

ENVELOPING CAN ONLY WORK AS PART OF AN OVERALL PLAN.

It may seem an obvious thing to say but Enveloping as an approach to house and area improvement can only work if it is part of an overall plan. One-off Envelope schemes here and there carried out at the whim of individual councillors or officers [or at the suggestion of a big contractor] will achieve very little. Councils should only consider Enveloping as one part of an overall approach to the problems of run down houses in run down areas.

WORKING WITH AND FOR PEOPLE

The starting point for any plan to deal with old houses must be the people who live in the houses. In 1973 Birmingham made public involvement one of the main aims of their Urban Renewal Programme. Since then, in some areas of the city,

a positive and constructive working relationship has developed between local residents, the local Project Team and local councillors. On one or two occasions residents actually felt that they were, in a sense, in control of the future of their houses and areas. Ironically Enveloping, which makes a big impact on the physical appearance of an area, can disrupt the close working relationship that has been built up. This is because Enveloping is often seen simply as a big building contract and the people who live in the houses are ignored.

This doesn't have to be the case. A Council that is committed to working with and for residents could run Envelope schemes in a way that increases people's involvement in their area. Earlier in our guide we stressed the need for close consultation with individual residents and with residents' groups.

We also introduced an idea called a 'client committee'. On one or two schemes in Birmingham the local residents' group and the Project Team have worked so closely together that the residents' group were almost acting as the client. We would like to take things one stage further by involving local councillors as well as residents. If councillors are involved, power to run and manage a scheme could actually be handed over to a joint committee and with the help of local officers this committee could take control of an individual Envelope scheme.

Looking beyond individual improvement schemes; residents and councillors should also work together on area and town improvement plans. Again in Birmingham for a short period in 1981-2 we had a series of Area Liaison Groups in which councillors and representatives of residents' groups discussed the Urban Renewal Programme as it affected a Project Team area. These Liaison Groups were beginning to have some influence when the in-coming Conservative Council decided to discontinue them. However other cities have taken the area committee idea much further and Community Forum, which has been campaigning for such committees since 1977, feels that they could be an important part of any improvement programme.

Finally there needs to be city-wide links between the Council and residents. This could be in the form of meetings between an established federation of residents' and tenants' groups and the relevant Committee of the Council. This was the system in Birmingham between 1973 and 1976 and it was at one of these meetings in 1976 that residents' from Balsall Heath argued for a more systematic approach to house improvement; "Why can't it be done street by street" they said then!!

Another approach would be to have a special consultative committee attached to the main Council Committee. These consultative committees are quite common for Council housing but, to our knowledge, they haven't been established for an improvement programme.

DEVELOPING A GOOD SET UP

It is no good having client committees, area committees and city-wide consultative committees if the Departments of the Council aren't organised in a way that enables these committees to work. We are convinced that house and area improvement must be organised around local offices that provide a base for skilled and experienced Council staff. These local teams can then work with residents and residents' groups and they could service client and area committees.

Birmingham's Urban Renewal Programme is based on such Project Teams; there are eight teams in all, each servicing an area that includes an average of 10,000 older houses. The Project Team approach has been very successful, they are close to the ground, close to the problems and above all they are accessible to residents. However they still cover large areas of the city and on individual improvement schemes such as Enveloping we believe that there should be a scheme office based in the affected area for the duration of the scheme. On some schemes Birmingham has adopted just such an approach.

Alternatively a Council could follow the Walsall approach; their Neighbourhood Housing Offices cover much smaller areas containing an average of 2,000 Council houses and 2,000 private houses [although there are wide variations between areas]. Their Urban Renewal teams cover 2 or 3 offices and it has proved an effective way of running individual schemes, as there is an office within walking distance of each scheme.

Local teams cannot operate independently of one another; there has to be town-wide co-ordination and co-operation between teams and between other Council Departments. We believe in local decision-making but we also realise that it is important to have an overall plan and an overview of what is going on. In Birmingham and in many other Councils communication and co-operation between Departments often leaves a great deal to be desired. These problems have to be tackled if a Council is to run a successful Envelope programme; such a programme will involve the Housing Department, the Environmental Health Department and Social Services Department within the Council.
[The names and responsibilities of Departments vary from Council to Council but this gives the general idea]. It will also require liaison with the Water Authority, the Gas and Electricity Boards, Housing Associations, private landlords etc. etc. It is important to set up the right kind of organisation to bring all these interests together.

THE NEED FOR SKILLED AND EXPERIENCED STAFF

We mentioned earlier that the Council needed skilled and experienced staff. Enveloping is a complicated process as we have seen and it is very important that the Council uses people who understand the process both as a building operation and as an exercise in working with local communities.

The structures which staff work in are important; working in a local office for a start is helpful as it brings staff into contact with people and their problems. In addition when you have a range of skills and professions on a local team it is important that they can work as a team and they are not constantly having to report back to different Departments at the centre of town. This problem has bedevilled Project Teams in Birmingham where many of the staff are seconded onto the Team.

The range of skills also needs to be thought about. With Enveloping and other house improvement schemes there are two areas that are often neglected. Firstly the skills needed to work with people; it is all very well understanding the technical problems but if you can't communicate with local people and identify with them then you cannot work effectively. Secondly the 'nitty-gritty' skills needed to control builders and make sure they are doing a good job for the Council and for residents. In Birmingham builders have frequently been able to hoodwink Council staff who either didn't care or weren't experienced enough. We believe that Council's must look closely at their staff training and recruitment to make sure they are employing the right people to do the job.

FOLLOWING ON FROM ENVELOPING

From the beginning of this section we have talked about Enveloping as being part of a house and area improvement plan. Just doing up the outsides of old houses is not enough. Therefore Councils must work out how they are going to follow on from Enveloping. Some of the steps they must take are mentioned earlier in the guide; follow-up on Improvement Grants and follow-up on private landlords [and Council and Housing Association property]. Action on private landlords is very important as, generally speaking, their houses are in the worst condition. All Councils should consider action along the lines suggested in the information sheet 'Tenants and Enveloping'.

House improvement is not the end of the story either. Area improvement involves environmental works, 'infrastructure' works [new sewers, water supplies, gas supplies etc], resurfacing of streets and pavements and a close look at all local facilities. It sounds daunting, but that is the scale of the problem and it is time that Councils and the Government faced up to it.

People expect a great deal of their elected Councils and that is right and proper. But we must all realise that Councils, however dedicated and committe d, have limited powers and resources. When we look at housing we have to understand that although Councils commission the work, nearly all of the building is done by private contractors. And that when improvement work is completed, Councils have little control over what happens to those houses in the future; how they fare in the housing market.

THE CONSTRUCTION INDUSTRY AND ENVELOPING

DEALING WITH THE CONSTRUCTION INDUSTRY

The construction industry has had a rough time since the collapse of the property boom in 1974. It is not surprising to find that they have been keen to the forefront of [illegible] The traditional approach to house improvement using Grants offers very little to big or even medium sized contractors; Enveloping on the other hand offers [illegible] contracts worth £1 or £2 million each.

Councils that are handing out Envelope contracts need to think carefully as to how they deal with the construction industry. We know from the high rise building scandals of the 1960's how easily money can go astray. Enveloping is not on the same scale and the technical questions are less complicated but residents and Councils still need to be on their guard.

THE BUILDING PROFESSIONS

The first people the Council goes to when they are planning a big building scheme are the building professions. Technically Enveloping is not a very difficult operation so they are unlikely to need structural engineers and other specialists. The main professions involved will be architects, quantity surveyors and [if you can call them a profession], clerks of works.

In our diagram 'An Envelope Cast List' we outlined the roles of the Architect and the Clerk of Works. In our view the best arrangement is to employ the Architect directly on the local team so that they get to know their patch even before they are asked to do an Envelope scheme. The alternative is to employ someone from the Council's Architects Departments, or to employ a private architect. Unfortunately many architects employed higher up in the Council may be reluctant to get involved in house improvement; they see it as boring and unglamorous. What is worse they actually have to relate to the people who use the buildings! Private architects aren't necessarily any better, particularly if you employ big firms that specialise in industrial or commercial work. Birmingham has recently put a lot of schemes out to tender to private architects and in our view they have made a mistake in only allowing big firms to submit tenders. If Councils have to use private architects [and Government cutbacks to their staff budgets are pushing them in this direction], they might be better off using small firms that specialise in rehabilitation work for Housing Associations or private individuals.

The Clerk of Works is just as important as the Architect and a good Clerk of Works can make a huge difference to the running of a contract. They should be employed directly by the Council and every Envelope scheme must have a full-time Clerk of Works; again in Birmingham recently they have been using one Clerk of Works to 2 or 3 contracts because of staff cutbacks but this has lead to real problems in maintaining standards of work.

As they have been having a difficult time recently the building professions will all be looking for work on Enveloping. Councils must make a careful judgement as to which professions need to be involved, what is the best way of employing them and in what numbers. On the one hand Councils want a high standard of design and supervision on each contract but on the other hand they don't want to overload schemes with unnecessary professional advisers. They will be under pressure from staff within their own Departments [e.g. the Architects Dept., the Building Finance Dept.] to handover work to them and they will also be under pressure from the private sector. The Council must decide who are the best people to do the job and how they should be employed.

THE BUILDING CONTRACTORS

Dealing with the professionals is one thing dealing with big building contractors is another. The first problem for the Council is trying to find contractors that are capable of doing a good job. We have seen that Envelope contracts are quite complicated and they require a high level of organisation and a range of building and other skills. Unfortunately the building industry has a poor record in terms of efficiency and rehabilitation work creates special problems. During the 1960's and 70's the industry got rid of a lot of its skilled craftsmen, bricklayers, roofers. plasterers etc. they also cut back on apprenticeships. But these are just the people who are needed now.

There are no obvious guidelines; Councils need to take a long hard look at the market and to examine the track record of each firm carefully. In Birmingham it has been assumed that big firms, such as Wimpey's, MacAlpines or Wates, are the best firms to use. On some contracts these contractors have done a good job, but on others the same contractors have performed badly. A good Site Agent can make all the difference as does good Council staff on the scheme. But there are other factors such as the use of sub-contractors rather than directly employed building workers that effect performance.

Other Councils are just the opposite in their approach and they have chosen to use medium sized firms, often with local connections. They argue that it is easier to control smaller firms as they have more to lose if things go wrong. Another approach is to use a roofing contractor as the main contractor, as the roof is the main element in an Envelope scheme.

Whatever contractors the Council chooses to use it is essential to brief them before any contracts are handed out. This is standard practice in Birmingham. The Envelope process needs to be carefully explained and the Council's requirements have to be spelt out. A prime requirement is that they should work closely with local people.

We have mentioned earlier how important it is to provide detailed schedules of work in the contract documents; this is necessary for builders as well as residents. If the work that is to be done is not clearly defined, the Council will have to set aside a large sum for unexpected problems which emerge while work is in progress [a contingency sum]. Two things can then happen; if more problems than expected occur then the money runs out and the Council has to cut back on the work. Or if too much money has been set aside then contractors may invent work so that they can cash in on the contingency sum.

Of equal importance is the actual form of contract. Earlier we said that Enveloping contracts should have special provisions such as complaints procedures, emergency services etc. Councils may also want to include clauses on the employment policy of the firms [e.g. they should employ a percentage of local people, black people etc,] and on the training policy of the firms [e.g. they should employ a certain number of apprentices].

Once the contract documents are assembled the Council cannot simply choose a suitable contractor, instead the work has to go out to tender. There are good reasons for tendering building work but unfortunately it does make it difficult for Councils to develop a continuous work programme with particular contractors that have a good track record. All too often a good team is put together for a particular contract only to be broken up once it is over.

When work is in progress we have already stressed how important it is to supervise and control the contractors. When work is completed we would hope that the Project Manager, the Architect, the Clerk of Works and local residents, should be asked to report on the contractor's performance. These monitoring reports could act as guides for future selection of contractors. We also believe that Councils should look closely at the value for money they are getting on Envelope contracts and that they should compare notes with neighbouring Authorities. There is a danger that if Councils limit themselves to a small number of contractors that the contractors will work together to push up prices and their profits, [price ringing].

INNOVATIONS AND ALTERNATIVES

Finally Enveloping could provide the basis for new approaches to building work and new forms of organisation. Clearly given the human problems caused by conventional building practices there is room for technical innovation. One method for speeding up roof work and for protecting houses from flooding while work is in progress is the 'Wimpey tent'. This is a huge canopy on wheels that covers a block of housing at a time and that enables work to go on in all weathers. Another idea to speed up work and to limit disruption is to move away from the traditional sequence of trades that mean that [illegible] over several months. Instead multi-skilled teams could be set up to carry out an Envelope scheme on an individual block all at one time.

Some contractors are now developing design and build packages in which they offer a complete Envelope service. We are very doubtful about this idea as it could put too much power in the hands of the contractors. In our view the Council and local residents must remain in control of the schemes and they must define the work programme. The only alternative to this approach could be for some form of non-profit making design service to be set up perhaps on co-operative lines and this could be linked to a building co-operative. This is very speculative but some Councils unable to employ their own design staff and unwilling to use private contractors exclusively could encourage a development along these lines. We should add that [illegible], the use of Direct Labour, which could ensure continuity of work, high standards and training, is ruled out by law. Apparently Direct Labour Organisations cannot work on privately owned property even on a Council contract.

ENVELOPING AND THE HOUSING MARKET

CAN THE MARKET BE REVIVED?

Enveloping is designed to have a major impact on the inner city housing market. Hence the emphasis on maintaining house values and promoting owner-occupation. And many of the financial institutions do seem to have been impressed. Building Societies and to a lesser extent Banks are queueing up to join Project Teams in Birmingham as advisers or to launch joint projects.

But we have a number of serious doubts and concerns. Enveloping is a big help to hard-pressed inner city owners struggling to pay mortgages and to maintain and repair deteriorating old houses. But is it just postponing the evil day?; many people will still not be able to maintain and repair their Enveloped houses and without maintenance the houses will probably deteriorate rapidly. The fact is that living in an 80 or 90 year old house [particularly the larger 3 or 4 storey houses] is an expensive business. Many of the people who buy these houses buy them not from choice but because there is no alternative. But in the long run it could make more sense for old housing to be owned and managed by the Council or Housing Associations or by Housing Co-operatives.

CASHING IN ON ENVELOPING

Another serious problem is the probable exploitation of Enveloping by private landlords. We have said earlier that Enveloping should not be used to justify rent increases but in practice this is certain to happen. Furthermore when a whole area has been Enveloped landlords may be tempted to sell their houses on the open market; to do this they will have to force existing tenants out. Councils do have some powers to control landlords and although Enveloping has no resale conditions attached to it by law some Councils have been introducing their own conditions.

The lack of resale conditions on Enveloped houses could encourage owners to sell out as well and before residents realise what has happened, prices in some Enveloped areas, could rocket and the original people who lived in the area will have been forced or tempted out. This is known in London as 'gentrification'.

There is some limited evidence of rent increases, harrassment and gentrification in Birmingham already. It is certainly something that residents, Councils and the Government should take seriously. If the Government and Councils fail to take measures to control speculation then it is certain that in some areas of most cities and in many areas of London Enveloping could become 'a speculators charter'.

STOP PRESS .... STOP PRESS .... STOP PRESS .... STOP PRESS ....

CHANGE IN GRANT LEVELS [p.p. 39-41].

Since publication of this report the "maximum eligible expense" on most grants has gone up by about 20%.

Details of the new levels can be obtained from the DoE. [Look up "Environment - Department of the - " and ask for the section which deals with housing].

The leaflet "Home Improvement Grants" is being re-printed [June 1983] and when it is ready can be obtained from your local Council, or in bulk from:-

DoE,
Distribution Centre and Publicity Source,
Building 3,
Victoria Road,
South Ruislip,
Middx.
HA4 6NZ
Telephone: 01-845-7788 Ext. 212

ARE YOU BEING ENVELOPED?
A RESIDENTS GUIDE TO ENVELOPING

"WHAT ON EARTH IS ENVELOPING?"

This guide produced by Community Forum, a long established federation of inner-city residents' associations in Birmingham, tells you all you need to know about the Government's latest housing initiative.

Enveloping was 'invented' by Birmingham City Council 5 years ago in response to the total failure of their existing house improvement programme. Since 1977 whole streets of houses and whole areas have been transformed by the Envelope approach.

Now residents' groups, many individual residents and other interested people from Birmingham have pooled their knowledge and experience to bring you this 'Residents' Guide To Enveloping'. These are some of the questions and issues covered by the guide;

THE ADVANTAGES AND DISADVANTAGES OF ENVELOPING

HOW COUNCILS SHOULD GET ORGANISED TO RUN ENVELOPE SCHEMES

THE CENTRAL IMPORTANCE OF INVOLVING RESIDENTS THROUGHOUT

WHY EACH HOUSE SHOULD BE SURVEYED IN DETAIL

THE WORRYING LEGAL POSITION OF OWNERS WHO SIGN THEIR RIGHTS AWAY

HOW TENANTS AND OLD PEOPLE COULD SUFFER.

PROBLEMS AND PITFALLS OF THE BUILDING PROGRAMME.

THINGS RESIDENTS SHOULD KNOW: COMPLAINTS, SAFETY, SECURITY, INSURANCE AND COMPENSATION.

WIDER PROBLEMS: THE EXPLOITATION OF ENVELOPING BY LANDLORDS. COULD IT BECOME A SPECULATORS CHARTER?

The guide contains 60 pages packed with useful information for anyone involved in housing either as a 'consumer' or as a 'provider' or 'advisor'. It is fully illustrated with nine full page diagrams, sample leaflets and architectural drawings and with twenty cartoons and charts in the text. The guide was launched at a national conference in Birmingham organised by Forum and Shelter at the end of March where it was enthusiastically received.

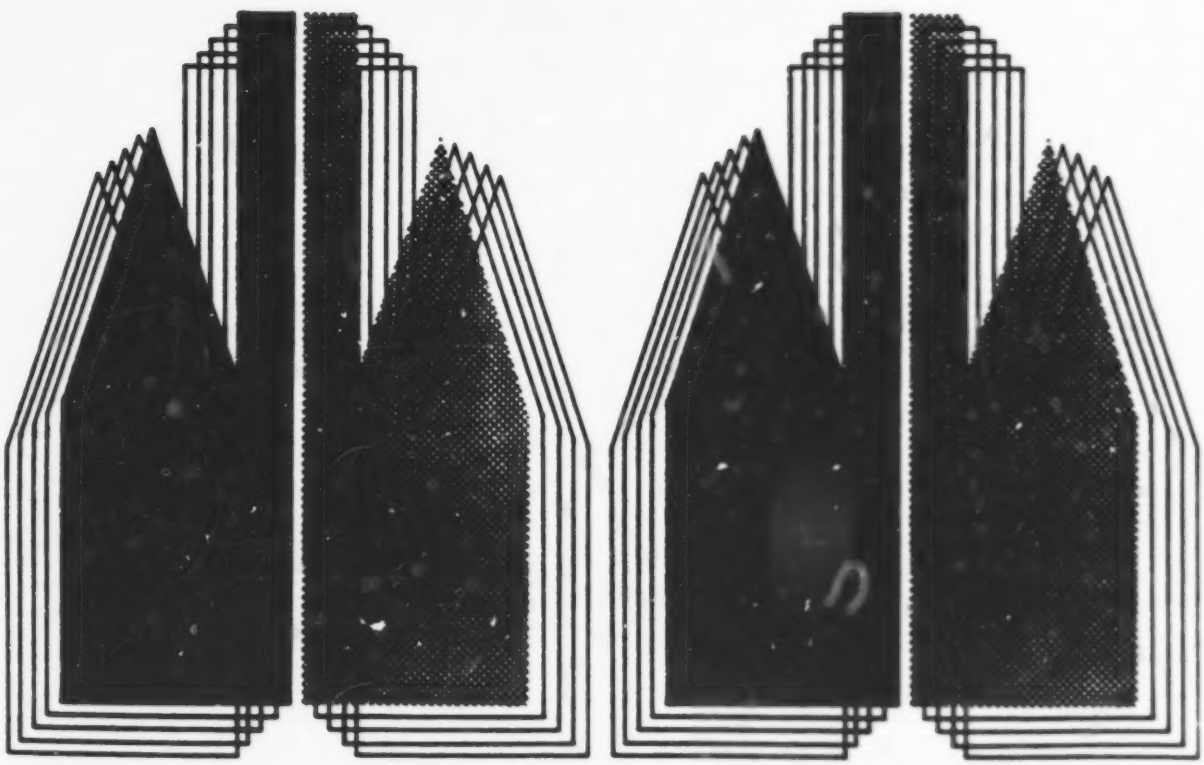
'ARE YOU BEING ENVELOPED? - A RESIDENTS GUIDE TO ENVELOPING - published in 1983 by COMMUNITY FORUM, 24, Livery Street, Birmingham, B3 2PA. Tel: 021-236-8264 [formerly 161, Corporation Street, Birmingham, B4 6PT]. Printed by BVSC PRINTZ.

PRICE: £2.50 [+33p. p and p]

REDUCED PRICE: £1.00 [+33p. p and p] for residents' groups, tenants' groups and community organisations.

THE CITY OF BIRMINGHAM
ENVELOPE SCHEME

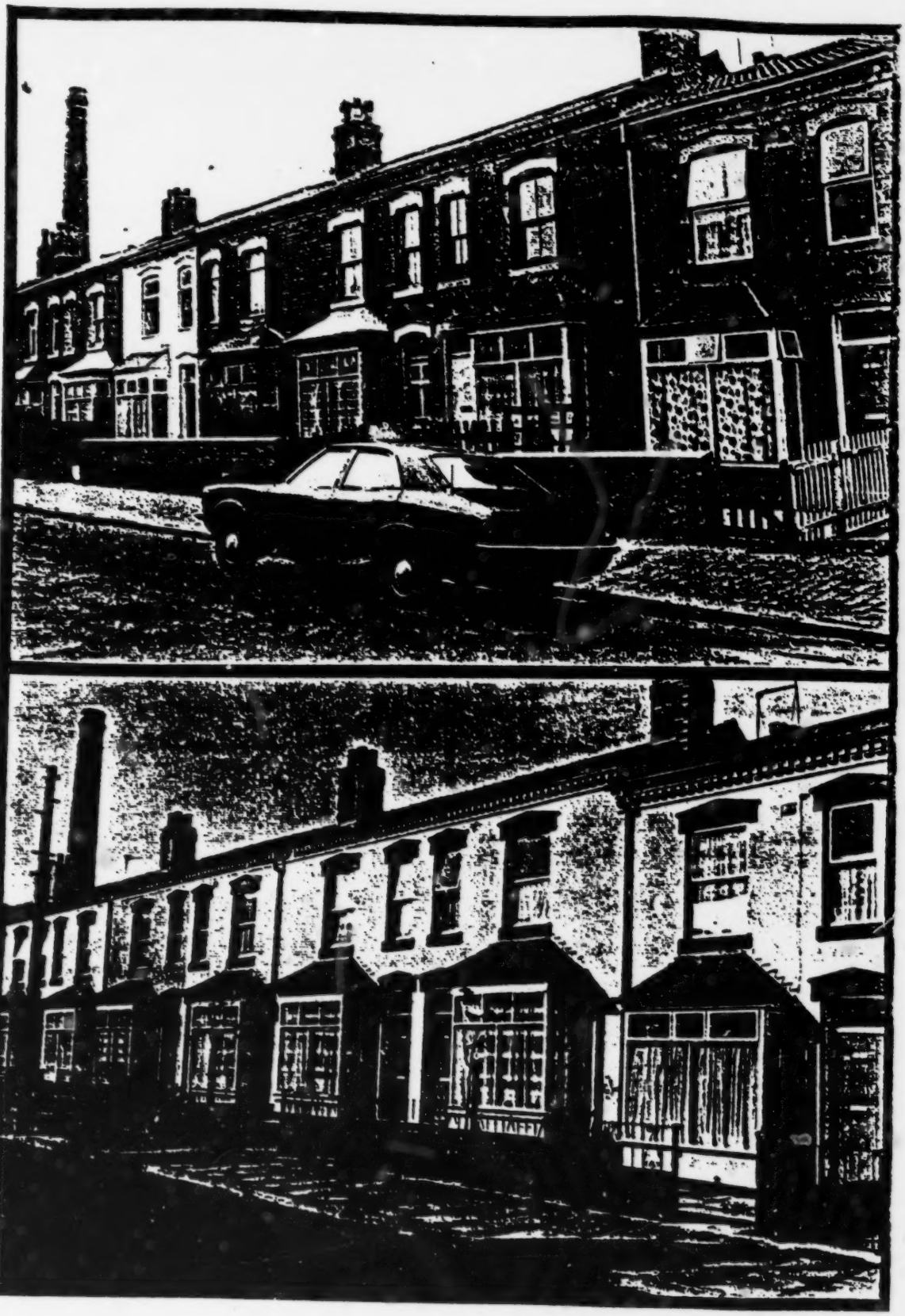
MONITORING REPORT



BIRMINGHAM INNER CITY PARTNERSHIP
H.M. Government, Birmingham City Council, West Midlands County Council
Birmingham Area Health Authority (Teaching)

PREFACE

Many thousands of people in the inner areas have to live in homes which are in poor condition and deteriorating from year to year. Many are owner-occupiers unable to cope with the burden of neglected ageing property. Outside the inner areas most owner-occupiers have sufficient resources to ensure that their homes do not deteriorate in this way or to move into areas where decay is not yet a serious problem. Birmingham City Council in partnership with the Government have developed a new initiative to combat physical decay whilst retaining the existing tenure patterns and social structures of inner area housing, and encouraging private investment. The envelope scheme turns decaying homes into sound structures and brings owners the opportunity of providing for themselves living conditions more comparable with those widely enjoyed elsewhere in the City. The report is an appeal for the continued support of this project by the Government through the Inner City Partnership Programme for the next three years and for the wider application of the scheme within the City's main housing programme with suitable subsidy arrangements.



THE BIRMINGHAM ENVELOPE SCHEME

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4. Future Developments

APPENDICES

A. Area Improvement
B. Implementation
C. The Standard Envelope Works

Published by the Urban Renewal Section, City of Birmingham
Environmental Health Department, 120 Edmund Street, Birmingham. B3 2EZ

1. SUMMARY AND CONCLUSIONS

1.1 In spite of Birmingham's whole hearted commitment to the implementation of the 1969 and 1974 Housing Acts, there has been a net deterioration in the City's pre- 1919 housing stock since the end of the large scale clearance programmes. It has become clear that the traditional methods of securing house improvement are an inadequate response to the housing needs of the inner areas (2.1-2.4).

1.2 The City require a means of dealing with decay on the scale with which it had previously dealt with clearance. The one-off house improvement system is inadequate and needs to be by-passed. What is now the envelope scheme was designed to achieve this by carrying out extensive external works (see Appendix C) to terraces of property irrespective of ownership and without contribution from the owners. It was initially developed under the Inner City Construction Programme in 1977, under which a 'face-lift' was carried out to the front elevations to properties in two housing action areas. The success of this early scheme gave rise to a re-assessment of the implementation of the City's Urban Renewal Programme and the introduction of the envelope scheme into the Inner City Partnership Programme at an initial total budget cost of £5.566m. (2.5-2.12).

1.3 The new approach has led to the adoption of area improvement policies based on a different assessment of the suitability of properties for improvement and a closer examination of an area's potential. (Appendix B).

1.4 The absence of a contribution from the owners ensures 100% acceptance of the scheme; considerable economies of scale both in terms of the cost per unit and in administrative/ supervision costs and the achievement of high quality works. (See 3.5-3.9). In the three and a half years since the inception of the scheme, around 1,700 houses have been dealt with, whereas over the same period elsewhere in housing action areas, a total of 785 private properties have been improved with grant aid.

1.5 The advantages of the scheme are considerable:

a. Resources available for house improvement are deployed most effectively–both directly in terms of value for money and in providing a stimulus for further private investment (3.5-3.11).

b. Properties are put into sound structural condition to give them at least a thirty year life. (See Appendix C).

c. There is an instantly recognisable expression of confidence in the area through the visual impact and extent of the works. (See 3.12-3.14).

d. Owner occupation is retained and increased stability brought to the area (See 3.2-3.4).

e. The need for public sector acquisition is subsequently reduced. (See 3.2-3.4).

f. The organisation and expertise of large experienced contractors, particularly in works supervision are brought into private house improvement work. (See 3.9).

g. The provision of a weatherproof and attractive exterior encourages individual owners to carry out internal improvements as and when they feel able to do so. Owners have greater freedom of choice. (3.10).

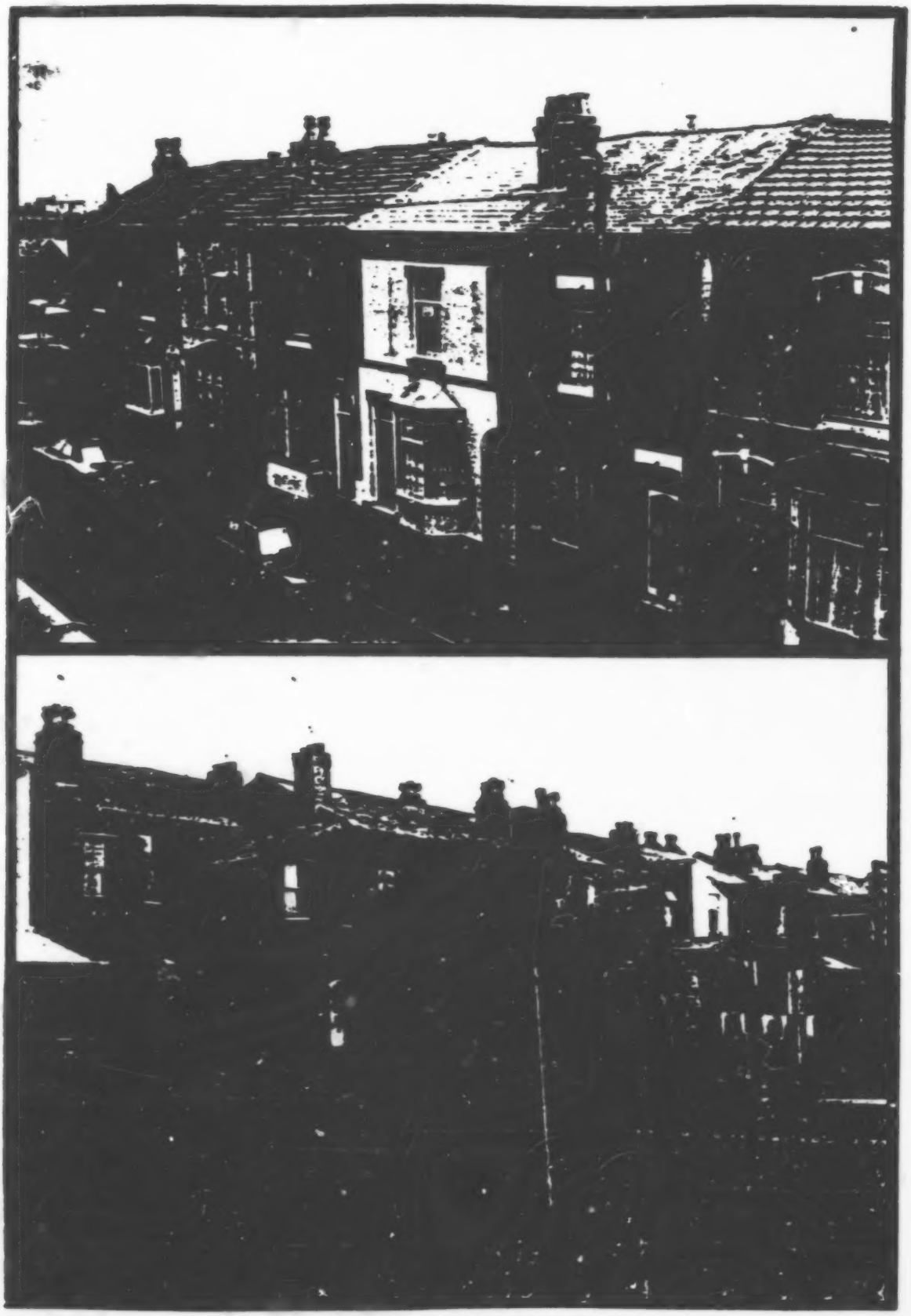
h. Private financial institutions such as building societies are willing to invest in the area (See 3.14).

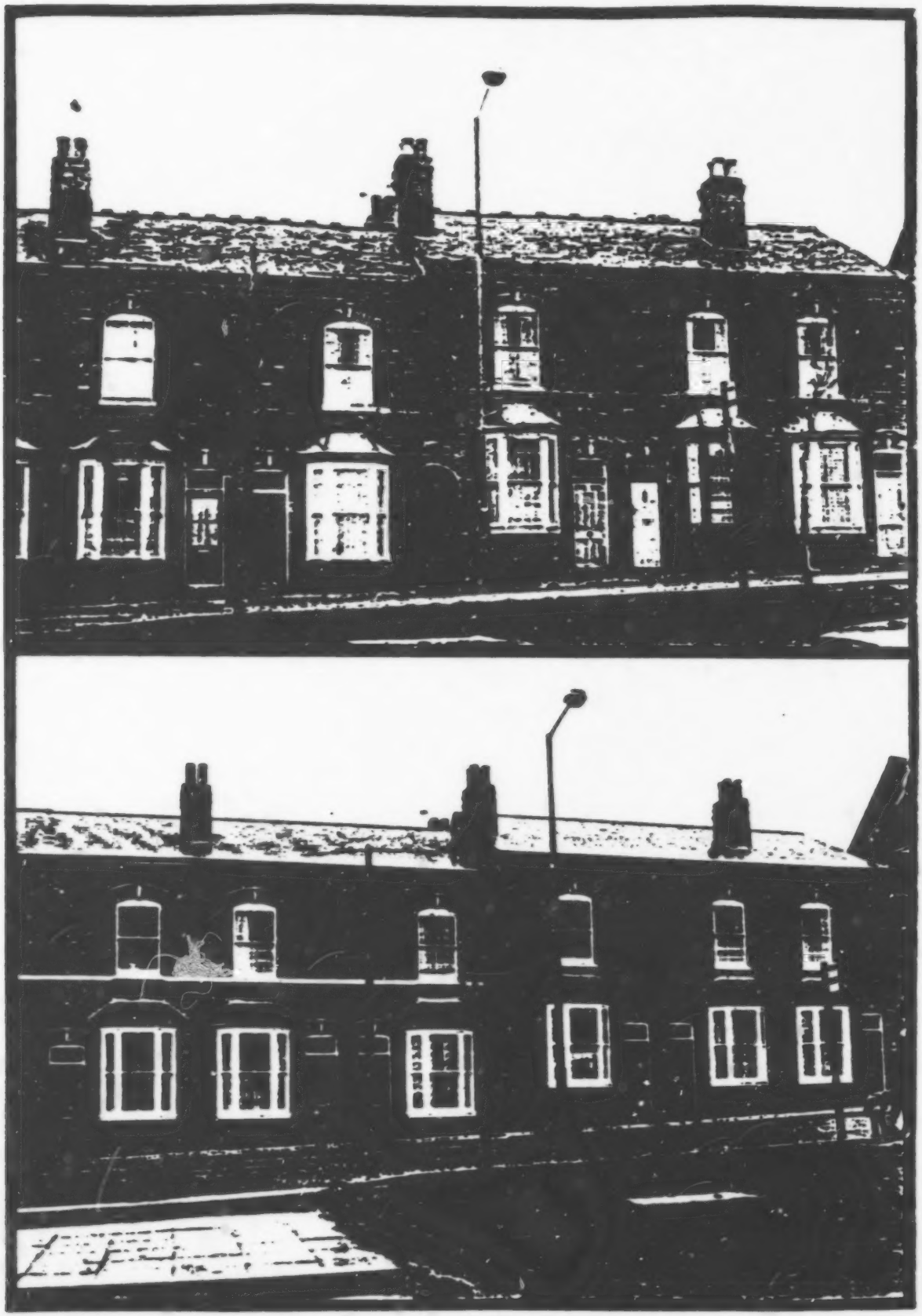
i. Commercial and industrial employers, retailers and recreational concerns have renewed their involvement in the areas.

CONCLUSION

1.6 The scheme has aroused the interest of a great many other local authorities as well as housing officials from overseas, who have been extremely impressed by this approach to tackling physical decay. Over the last three years it has developed into a system sufficiently flexible to meet the needs of differing areas and property types, and it has become the centre of the City's Urban Renewal Programme. The longer term objectives are to bring it into main programme funding under the Housing Investment Programme with adequate subsidy arrangements. In the meantime, the City is committed to the extension of the scheme under the Urban Programme beyond 1982, and in the absence of any other solutions for dealing with the problems of the older housing stock, feel that there is little alternative.

1.7 The following report sets out the background to the problems of the City's older housing stock particularly within housing action areas, the development of the envelope scheme and an assessment of the achievements of the experiment against its original objectives. Three appendices set out the development of the City's approach to area improvement, the implementation of envelope scheme, and the scope of the work undertaken.





2. THE DEVELOPMENT OF THE ENVELOPE SCHEME

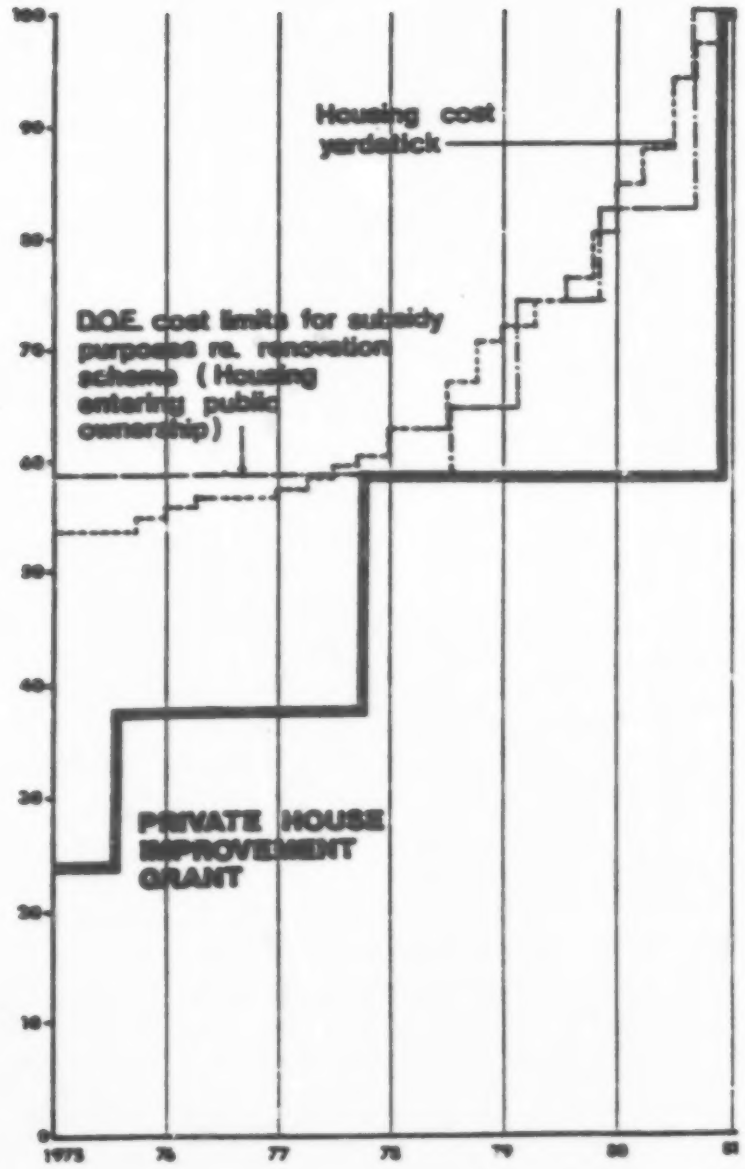
The Housing Act 1974

2.1 With the general switch in emphasis in housing policy away from large scale redevelopment towards retention and improvement, the City had used all the powers available to them in the Housing Act 1974. Most of the 13,000 properties that might otherwise have been included within a third redevelopment programme were included within housing action areas. Local residents were given a substantial say in the determination of the future of their property. Clearance was kept to the minimum and every encouragement was given to owners to implement improvement schemes. Up to 100% mortgages and, wherever possible, 90% grants, were offered, temporary alternative accommodation was provided where needed and the City made a comprehensive improvement service available. In order to bolster confidence in the areas the City in conjunction with the housing associations, undertook to improve all the properties within its ownership and secure the improvement of those properties where the existing owners were unwilling to carry out schemes.

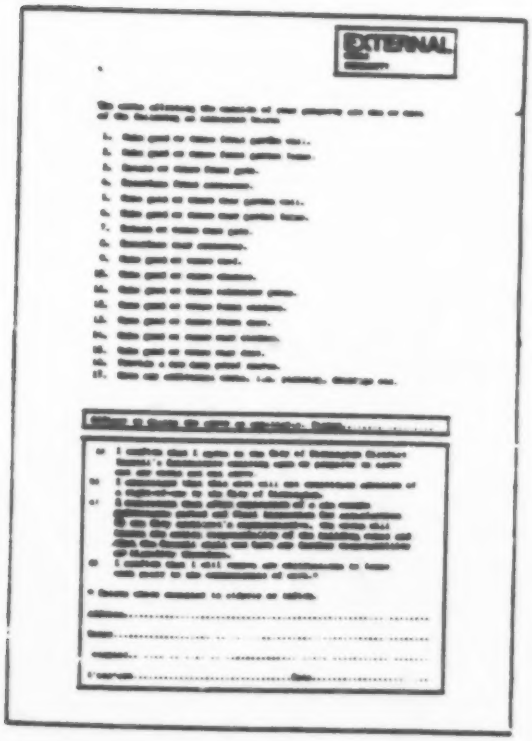
2.2 To secure the improvement of all houses not identified for clearance, the City embarked upon a policy of using the compulsory purchase powers under the 1974 Housing Act in all housing action areas wherever owners were not prepared to carry out the necessary works. Between 1978 and 1979, eighteen orders were made including 1,390 properties. This resulted in many owners carrying out schemes themselves or selling their property on a voluntary basis to housing associations for improvement. Eventually only 365 properties were acquired by the City under the orders.

2.3 By 1978, 26 housing action areas had been declared (see map 1) and 11,625 properties scheduled for retention. Of 8,480 retention properties in private ownership, only 506 had been improved, over 50% of which were in three housing action areas, which had had the lion's share of the City's resources since declaration. It was evident that with the existing improvement grant system, inner city housing conditions would only be improved through either large scale public ownership (the City or housing associations) or a substantial increase in the clearance programme. At a time when public funds were relatively freely available, the progress made was disappointing and showed an inadequate return on the efforts made by the City. For most inner area residents, the combination of low disposable income and high repair and improvement costs meant that full improvement schemes were beyond their means. The maximum eligible expenditure upon which improvement grants have been based has rarely been sufficient to meet the costs of full improvement schemes in typical housing action area properties - and this expenditure has never been related to the needs of the properties concerned. The increases in the limits to eligible expenditure for improvement grants has lagged behind other government housing cost-yardsticks used for either new build or rehabilitation schemes in the public sector. (See Table 1). All costs exceeding the eligible expenditure have had to be met by the owners, in addition to the percentage contribution to the grant aided works. A full improvement scheme to an individual property in a terrace of mainly unimproved properties has rarely brought about sufficient increase in property value to support a loan to meet the owner's contribution. This disparity between improved values and net costs has been a major disincentive to owners to carry out improvements.

TABLE 1



The base date for the comparison is 1981, when cost yardsticks for public sector rehabilitation and new build schemes, and private sector grant limits have been given a value of 100. The table therefore shows how the three cost limits have varied relative to each other over the last six years.



ABOVE: Documentation for one-off house improvement grant

LEFT: Indemnity form used for Envelope scheme.

2.4 The problem lay not only in the low level of private house improvement, but also in the sporadic way in which improvements were carried out whether in the public or private sector. Inherent in the housing improvement system was a reliance upon the independent decisions of owners. All improvement works were individual one-off schemes, scattered around the areas and tailored to meet the owner's resources. The improvement grant system embodied in the 1974 Housing Act was thus not succeeding in getting houses improved on sufficiently large a scale for the following reasons:-

a. eligible expense limits unrelated to the condition and value of property.

b. inadequate resources of the owners.

c. cumbersome nature of improvement grants and loans.

d. small contractors taking advantage of the grant system.

e. lack of range of trade skills within firms undertaking improvement work.

f. impossibility of supervision of scattered schemes.

2.5 The City, therefore, began to look at alternative ways in which the first declared housing action areas might be completed and the already considerable investment consolidated. When the Government launched the Inner City Construction Programme in 1977, the City responded by bringing forward an innovatory facelift scheme to carry out extensive curtilage works to the front elevations of mainly privately owned houses in two housing action areas to complete the external house improvement works and bring the large contractors into the private sector improvement programme. This obviated the need to bring unimproved properties into public ownership and also brought the costs of completing the internal improvements with grant aid within the means of the existing owners. The scope of the work was limited to the frontages and included re-roofing, repairing/rebuilding chimney stacks, renewal of joinery work and repointing or rendering. Under this programme 769 properties were dealt with at a total cost of £1.939m in the Little Green and Havelock Housing Action Areas, under the powers of Section 45 of the Housing Act 1974 or the Section 2 Local Authorities Land Act 1963.

Re-Assessment

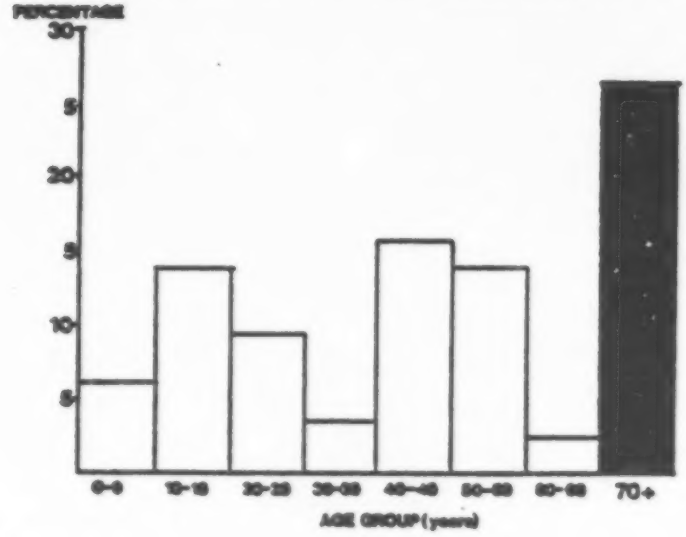
2.6 The City was in a position to 'complete' the two housing action areas only because of the enormous concentration of manpower and financial resources that had been put in over the previous four years. It was impossible for similar resources to be made available to other housing action areas within the City.

2.7 The reduced level of clearance and the output of an improvement programme based on an unwieldly grant system was insufficient to keep pace with the rate at which pre-1919 property in particular was falling into disrepair. Despite the provisions of the Housing Act 1974 the housing stock was deteriorating. Up to date house condition figures will not be available until 1982 but the best estimates indicate some 40,000 properties in need of substantial repair or improvement. Given current trends this will increase to around 70,000 in 1990. In housing action areas alone, 11,000 houses are urgently in need of attention. (See Table 2). Frustration with the traditional means of securing house improvement was not confined to the members and officers of the City. The declaration of housing action areas imposed a duty on the City to secure the improvement of living conditions. Commitments were made to the residents to do so. Increasingly, the City was faced with demands for immediate short term, effective action to arrest decay, boost confidence and enable households to continue to remain in their existing homes. To create such confidence and encourage private investment, a new perspective was required and a larger scale of works than was possible by the traditional method of house improvement. Environmental works alone would not achieve this, since their scope was limited in densely built areas, and they did nothing to relieve the basic blight in an area brought about by the decay of whole terraces of property.

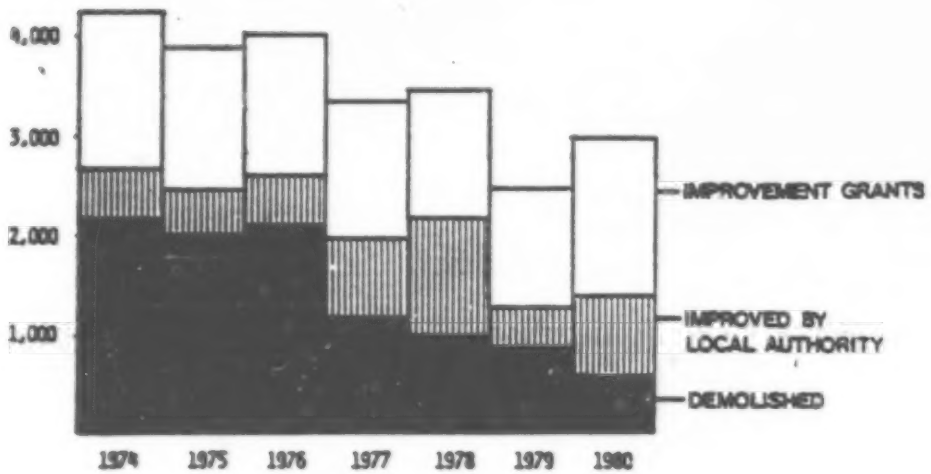
TABLE 2

Pre-1919 Housing Stock

PROPORTION OF TOTAL HOUSING STOCK 1981



1974-1980 PROGRAMME



H.A.As: THE SIZE OF THE PROBLEM

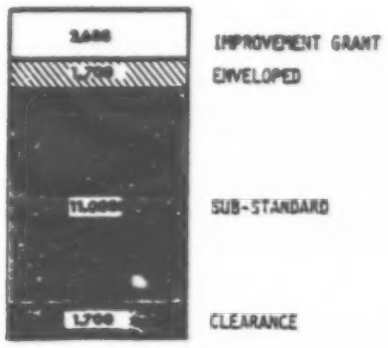
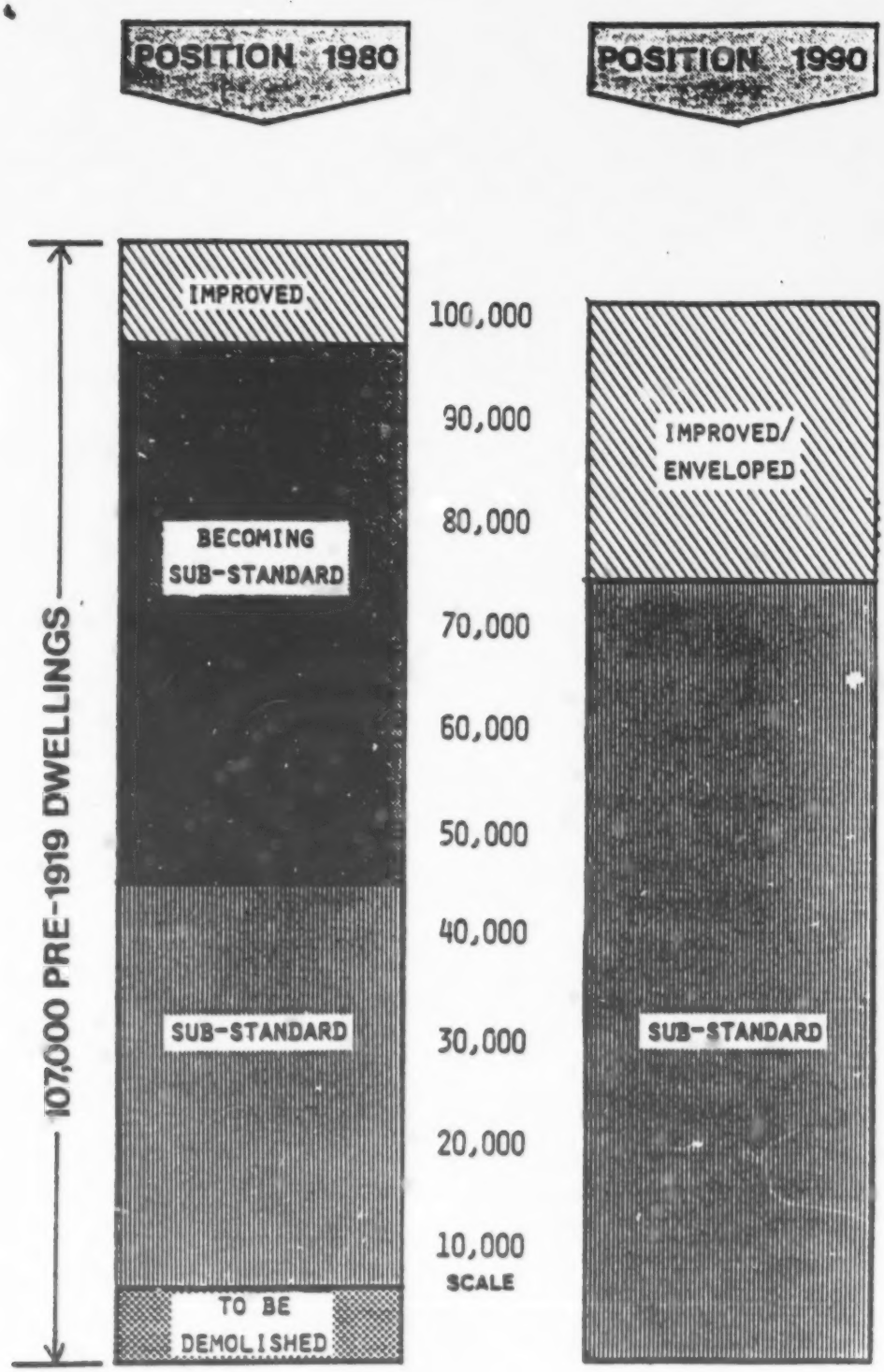


Table 2 cont.

CONDITION OF PRE–1919 STOCK



2.8 Encouraged by the success of the facelift scheme the City considered the wider application of the basic principle behind it as an alternative means of dealing with properties in housing action areas. Proposals for the envelope schemes were put forward, the major objectives of which were:

i. to secure the improvement to the physical fabric of unimproved houses on a sufficiently large scale to combat further delay;

ii. to stabilise existing tenure patterns by encouraging owner-occupation and landlord investment and avoid the need for further public sector ownership;

iii. to achieve better value for money by a more efficient use of financial and manpower resources;

iv. to encourage private owners to complete the internal improvement to their properties;

v. to raise confidence in the areas and secure private investment.

The scope of the works included were extended to include the rear elevations. Details of the work content are set out in Appendix C and include all the external works that would be relevant to a full improvement scheme. Having safeguarded the basic fabric of the houses, the scope and standard of internal works might reasonably be left to the existing or future occupants to determine at a time of their own choosing. An absence of internal improvements would not be detrimental to the surrounding neighbourhood.

2.9 The City's policy thus undertook a radical change away from the emphasis in the 1969 and 1974 Housing Acts on individual house improvement towards the comprehensive improvement of the housing stock of a whole area (see Appendix A). It sought to secure the future of the housing stock and create an environment in which the market could

take care of the internal works, as and when the consumer demanded. The more usual operations of the housing market would then work in that building societies would advance money for either purchase or further improvement and owners invest, confidence of there being a ready market for their property.

2.10 The City sought to fund the development of the envelope scheme through the Inner City Partnership Programme. Approval was given in August 1979 to the application of the scheme to 6 H.A.A's on an experimental basis at an initial total budget cost of £5.566m at 1979 prices. Approval was for the inclusion of the scheme up to 1983/84 with a review in 1982/83.

2.11 The initial development concentrated upon areas of owner occupation and the first phase effectively dealt with two storey family houses. However, a number of the City's housing action areas are dominated by large properties in multiple-occupation and as the scheme has developed it has been adapted to include them. It was considered essential that in these circumstances investment in the external fabric should be accompanied by the improvement to internal facilities which would directly benefit the tenants themselves. Generally, the City's ability to secure improvement and repair to privately rented properties through enforcement procedures is limited by what the Courts interpret as being reasonable. Reasonableness is usually judged against a comparison between the costs of the works and the market value of the property. By ensuring that the basic fabric is sound thereby reducing the subsequent private costs of any scheme, the City has been in a position to take effective enforcement action against landlords to secure internal repairs and provision of facilities.

2.12 Instead of being a means of 'completing' a housing action area the envelope scheme has now become the main and in most areas the only effective means of achieving any major changes in the housing conditions within housing action areas.

3. APPRAISAL

The experiments have been evaluated against the objectives set out in paragraph 2.7.

Improvement to Physical Fabric (Objective 1)

3.1 The earlier works carried out under the Inner City Construction Programme in the Little Green and Havelock Housing Action Areas have been included in the assessment of the scheme. The external fabric to about 1,700 properties has been improved in 8 housing action areas over a three and a half year period. This could not have been achieved by any other means. Over the same period within all the City's 27 declared housing action areas containing 11,456 dwellings, only 725 properties were improved by private owners with grant aid (excluding those owners whose property was enveloped and subsequently obtained grant aid for internal works). The expenditure in each area, together with the number of properties and cost per bedspace is shown in Table 3. The use of cost per bedspace allows comparison between areas with large dwelling types particularly those with three storeys, and those with smaller two storey dwellings.

Encouragement of Owner-Occupation (Objective 2)

3.2 In most of the areas in which envelope schemes have been implemented, compulsory purchase orders were in various stages of progression either being prepared or already submitted to the Secretary of State for confirmation (See 2.2). The proportion of privately owned properties included in orders prior to the implementation of the works and the proportion remaining afterwards are shown in Table 4.

3.3 The success of the scheme led the City to review its more general policy of voluntary acquisition and use of compulsory purchase orders. Unless there are particular cases of hardship or dwellings which are clearly unsuited to the needs of residents, especially the elderly, no further acquisition for improvement are envisaged.

TABLE 3

Housing Action Area Date of Envelope	Actual Contract Expenditure £000	No. of Props.	No. of Bed Spaces	Actual Cost		Costs Up Dated to mid 1981 Prices	
				Cost per House	Cost per Bed Space	Cost per House	Cost per Bed Space
				£	£	£	£
Little Green 20.2.78	878	350	1,750	2,508	501	3,659	731
Havelock 1.3.78	1.061	419	2,245	2,532	472	3,607	672
St. Silas Zone 1 5.1.80	1.380	349	1,676	3,954	832	4,103	863
St. Silas Zone 2 8.9.80	1.085	239	1,000	4,539	1,085	4,619	1,103
Conway * 9.1.80	305	38	296	8,026	1,030	8,329	1,069
Trafalgar Zone 1* 14.4.80	836	89	446	9,393	1,874	9,649	1,925
Balsall Heath Zone 2 7.4.81	835	152	800	5,495	1,044	5,495	1,044
Albert Road Zone 1 (Stage 1) 27.7.81	370	51	332	7,262	1,115	7,262	1,115

N.B.*The properties included in Conway and Trafalgar Zone 1 Housing Action Areas were mainly three storey properties, larger than the normal two storey terrace houses on which envelope schemes were first executed. Consequently, the costs appear high but by applying the bed space costs, compare favourably with the smaller properties. Additionally, Little Green and Havelock were facelift schemes which did not include improvement to the rear of the properties.

TABLE 4

H.A.A.	% Private Houses in CPOs	
	Prior to envelope	Remaining after envelope
Little Green	39	5
Havelock	40	16
St. Silas Zone 1	15	3
St. Silas Zone 2	0*	0
Conway	62	0
Trafalgar Zone 1	7	0
Balsall Heath Zone 2	) * CPOs not processed as properties included in envelope scheme	
Albert Road Zone 1 (Stage 1)	)	

3.4 In areas of decaying property, owner-occupation is threatened. The scheme makes a major contribution to the retention of existing owner-occupation in the inner areas and offers first time buyers secure home ownership at a price they can afford. The overall cost of enveloping single family houses is £4,000 to £5,000. The Government's Improvement For Sale scheme allows up to £7,500 expenditure to be considered for subsidy purposes. The City feels that the envelope scheme offers a better deal and can achieve a much more effective impact than any scheme based on one-off improvement.

Value for Money (Objective 3)

3.5 Assessment of cost effectiveness usually involves a comparison with other options available–one of which is 'doing nothing'. The costs involved in such a 'do nothing' approach are difficult to evaluate since they would be dependent upon the expected life of the properties in their existing condition, before the City had to exercise their statutory duties under Part II or III of the 1957 Housing Act. The subsequent costs of redevelopment and any ensuing net dwelling loss would have to be taken into account. There is little evidence to suggest that properties in housing action areas would be improved without substantial public intervention of one kind or another. The costs of the envelope scheme and further grant aided internal works have, therefore, been compared with the only alternative available for ensuring widespread full improvement i.e. through public sector ownership by the local authority or housing associations.

3.6 A comparison between the cost of public sector acquisition and improvement, and envelope works plus internal grant aided works is set out in Table 5. Whilst the improvement standards are not directly comparable, full house improvement is achieved through Public Ownership at 50 % more. It has been assumed in the comparison that individual owners will carry out grant aided internal improvements, although this will, of course, not necessarily be the case.

3.7 It is also difficult to put a value on certain aspects of envelope work. Great care has been taken in the design work. The co-ordination of the restoration of the original design and character of the buildings might be considered a somewhat aesthetic exercise. It is however an attempt to bring about an

appreciation of the basic qualities in the area rather than reproduce a rather improbable imitation of another era or style.

3.8 The envelope scheme has allowed for a much more efficient use of staff resources than is possible under the traditional system. Since the inception of the scheme in 1978, about 1,700 properties have been enveloped at an approximate administrative cost of £437 per dwelling (N.B. excludes cost of administering subsequent grant applications for internal works). In contrast, over the same period, 785 private sector improvement grants have been completed in H.A.A's at an approximate administrative cost of £1,300 per grant paid.

3.9 High quality improvement work carried out quickly has only been achieved by offering the major national building companies large scale contracts worth approximately £1m and covering 275-300 dwellings. This attracts the calibre of builder required, and justifies the input of architects and quantity surveyors to closely supervise the works. The scale of the contract has, however, not prejudiced flexibility or the ability to adapt to meet residents' particular need (See Appendix B). The absence of a contribution from the owners has also brought about savings in time, since with a simple indemnity agreement adjustments on site are easily made by architects intructions. Under the traditional system, the whole grant would have needed re-appraisal and any loan recalculated.

Internal Improvements (Objective 4)

3.10 Given the present financial climate and its particularly severe effect upon those with low incomes it is too early to make a proper assessment of the extent to which individuals will pursue the completion of the improvement to their houses. Nonetheless, considerable interest has been generated. A comparison between the number of grants paid since the housing action areas declaration and the number of grant applications received since the beginning of the envelope scheme is illustrated in Table 6. Not all applications can be expected to proceed. On the other hand some owners might carry out improvements little by little as finance is available, possibly with grant aid under the new provisions in the Housing Act 1980.

TABLE 5

Comparison between average improvement costs Public and Private Sectors.

The costs are all updated to mid 1981.

The Housing Action Area status provides a maximum in hardship cases of 90% grant.

	ST. SILAS HAA		ST. SILAS HAA ZONE 1		ST. SILAS HAA ZONE 2	
	LOCAL AUTHORITY OWNED		PRIVATELY OWNED		PRIVATELY OWNED	
	Cost/ House	Cost/ Bedspace	Cost/ House	Cost/ Bedspace	Cost/ House	Cost/ Bedspace
External works	£12,310	£2,870	£4,103	£ 863	£4,615	£1,103
Internal works			£4,500 *	£ 937	£3,960 **	£ 946
Average Purchase Cost	£ 5,000	£1,166	-	-	-	-
TOTAL COST	£17,310	£4,036	£8,603	£1,800	£8,575	£2,049

Notes

a) Those houses which fall into a Local Authority's ownership are usually the ones in worst repair and whilst the above are average figures, the upper and lower ranges may make certain costs overlap.

b) Costs as at mid 1981; maximum grant - 90% of £5,000. *In St. Silas Zone 1 and **intermediate repair level at 90% of £4,400 in St. Silas Zone 2. Figures also assume that full grant aided internal works will be carried out.

c) Different standards achieved in each case, so costs are not for similar work content.

3.11 But grant applications are an inadequate measure of residents' response to the project. There has been a regeneration of individuals' interest in their properties and the stimulation of a wider awareness and pride in the revitalisation of the area and its community has followed.

Confidence in the Areas (Objective 5)

3.12 It is difficult to make an accurate assessment of the impact of the envelope scheme upon market values since few properties have changed hands since completion of the works. This might well be attributed to the injection of confidence and resultant stability in the area. Any such exercise is inevitably hypothetical and such evaluations need to be treated with caution. The approximate level of house values, prevailing both before and after the works, have been assessed and these are set out in Table 7. The valuations given are all at 1981 values.

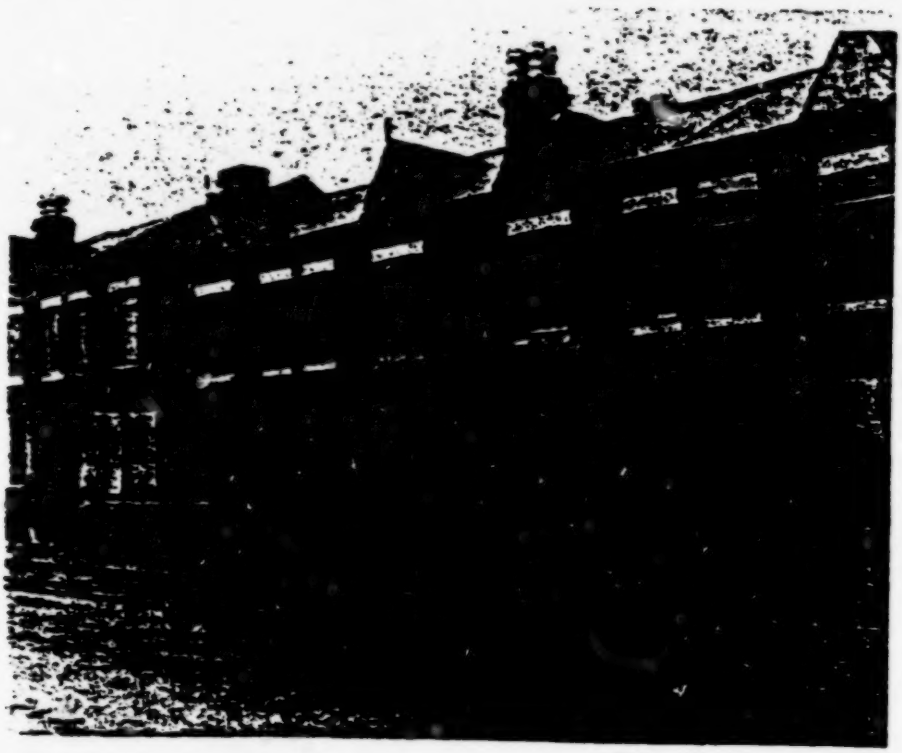
Table 7

Area	Average House Before Works	Valuations After	% Increase Values
Trafalgar	£9,500	£15,000	50%
Conway	£7,500	£13,250	75%
St. Silas	£5,000	£ 9,000	80%

3.13 The increase in values is certainly more than would have been achieved by any one-off improvement scheme in any of the areas. The increase reflects the value of area improvement and the confidence in the secure future of the properties. It will enable loans to be advanced to meet the owners' net costs of completing internal improvements, this has not always been possible in the past (See 2.3).

4. FUTURE DEVELOPMENTS IN THE AREAS

4.1 The current rate of deterioration in the pre-1919 stock in particular is outstripping the rate of investment and improvement. This point has been repeatedly raised in the City's Housing Investment Programme submissions. Although retention of properties in housing action areas might have been too extensive, the scope for any significant change in direction is now limited by the effects of one-off improvement schemes. This has made any re-assessment of blocks of property for clearance extremely difficult. A marginal increase in clearance might be brought about through the more careful assessment of properties before their inclusion within an envelope scheme (See Appendix A). Elsewhere with the limited finance available, some re-appraisal will have to be made on which areas should be left untouched and allowed to decline. Generally, however, the city is saddled with the existing stock which is deteriorating.



4.2 The alternative approach to these areas would be to let the market run its course with the sporadic, haphazard injection of public funds as individual owners apply for improvement grants (possibly only available for a reduced standard scheme), or the City and housing associations acquiring for improvement and resale. This would result in little area improvement and investment would continue not to be reflected in enhanced values. Building Society funds would not be attracted. The dissatisfaction of the residents could be expected to increase.

4.3 It is possible to argue that the properties in their existing condition represent good value for money to the occupiers. However, the consequences are very clear. With little investment and deterioration those able to exercise choice within the housing market will move out and the inner city will become even more polarised in housing only those with low incomes and least choice. Within 10 years decay will reach a point where a redevelopment programme would have to be reinstated on a large scale.

4.4 The City's main programme now for dealing with physical decay in housing action areas is effectively the envelope scheme. Not to continue with this scheme would bring house improvement in these areas virtually to a standstill, and lead to further deterioration. It is, therefore, essential that this scheme continues at a substantial level and that it continues to perform the major element in the housing programme within the Inner City Partnership Programme for 1982 to 1985, until such times as it can be brought into the Housing Investment Programme with appropriate subsidy arrangements.

4.5 The objectives of housing action area declaration are:

a) 'the improvement of housing accommodation in the area as a whole, and

b) the well being of persons for the time being residing in the area and

c) the proper and effective management and use of their accommodation.'

(Housing Act 1974, Section 36(2))

The housing envelope scheme only makes an indirect contribution towards the last two objectives. It leads to the revitalisation of an area, but further improvements need to accompany it environmental improvements, renewal of main services, particularly water supplies, as well as an investment in other facilities such as shopping and schools which are essential if the inner areas are to be made into areas within which people with choice will elect to live. In addition to the need to continue to urge a greater concentration of all other social programme resources, there is still an urgent requirement for additional management of privately rented property, particularly houses in multiple occupation. There is an acute shortage of accommodation for young single people in particular of well managed low cost shared units. Whilst the current emphasis on owner-occupation might provide an alternative to public sector renting for many families, it will not meet the needs of young single people leaving home who are probably unemployed and looking for a home for the first time, nor for any other households dependent upon the provision of low cost shared accommodation.

4.6 An envelope type scheme is an essential pre-requisite for the development of housing action areas away from what will otherwise be their inevitable drift into redevelopment areas. The evidence suggests that it will unlock private initiative and privately funded investment as existing or future owner-occupiers complete internal improvements. It will encourage owners to remain in the area and thereby contribute towards the area's stability, particularly when accompanied by wider environmental improvements and the provision of better ancillary facilities. It brings some credibility into an urban

APPENDIX A AREA IMPROVEMENT

Assessment

A.1 The process of evaluating an area's potential is of equal importance to the analysis of physical structures. The following criteria should be appraised before determining whether to bring about area improvement through an envelope scheme.

i. An identifiable community with amenities either existing or proposed.

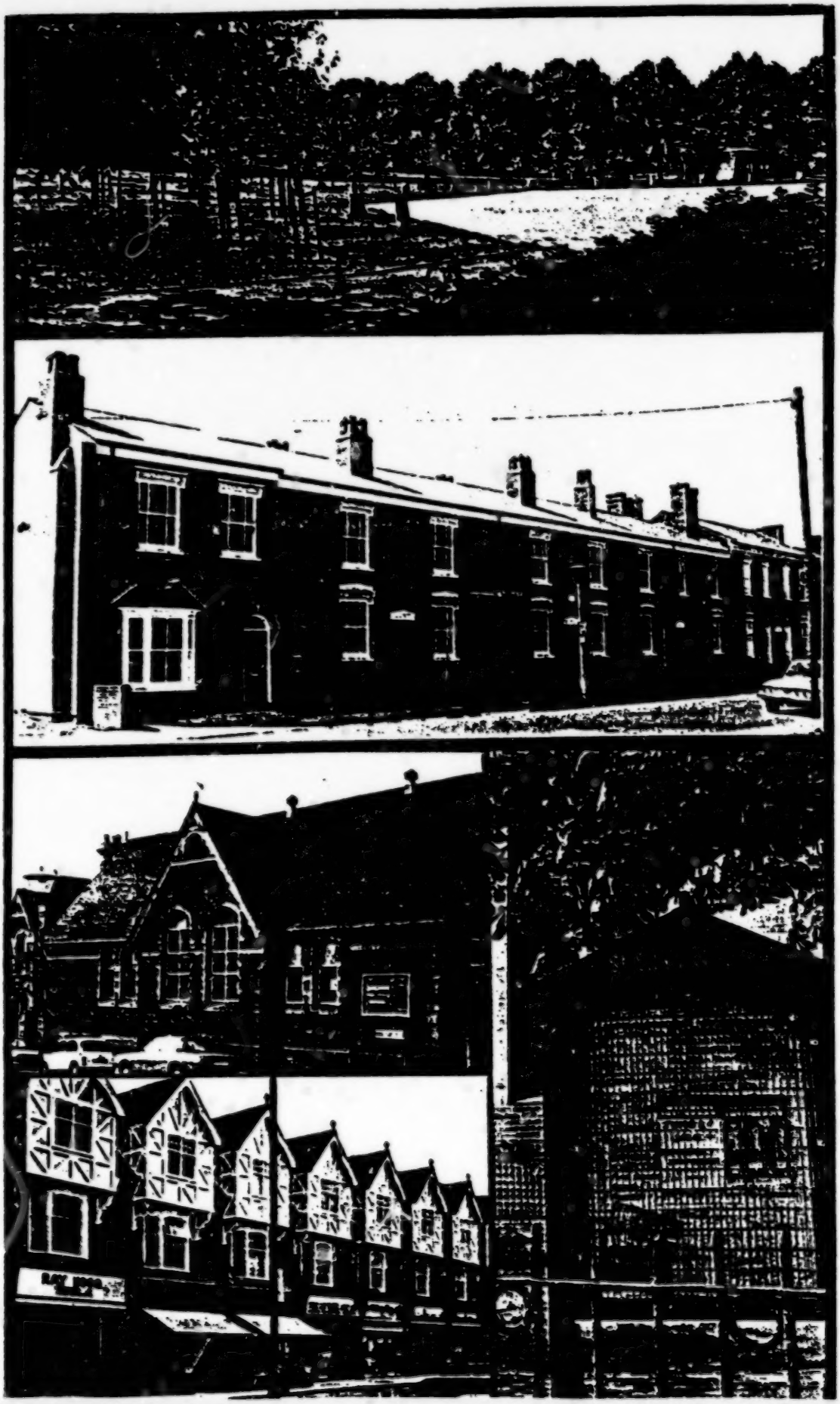
ii. The residents' desire to improve their homes.

iii. Potential of dwellings for internal improvement within grant limits.

iv. Properties of sound construction free from progressive instability and with adequate services.

Only careful selection of areas will result in the restoration of confidence, with the regeneration of individuals' interest in their properties. Stimulation of a wider awareness and pride in the revitalisation of the area and its community follows.

A.2 The selection of St. Silas Housing Action Area was particularly successful in that there is within its boundaries an abundance of shopping facilities, numerous churches with social activities and schools. Extensive leisure amenities in parkland area are situated in the adjoining redevelopment area. In community terms the area has developed and reaped great benefit.



A.3 The size of the area selected should be such as to ensure external renovation on a scale that will transform the entire environment. An isolated terrace of improved dwellings no more benefits an area thanthe improvement of one individual house improves a terrace.

Selection of Dwellings

A.4 Whereas for individual house improvement schemes each is dealt with in isolation, the envelope scheme necessitates a much more detailed appraisal of a block of dwellings to have their life extended for at least a thirty year period. The essential qualities are:

i. structural stability;

ii. soundness of construction;

iii. potential of envelope scheme to secure the life of the property;

iv. scope for total improvement with grant aided internal works;

A.5 The most common structural failures within Birmingham housing action areas have been found to be:

i. Ground Faults
Clay pits, sand pits, made up ground and geological faults;

ii. Inadeqate Foundations
Often only two courses below ground on to earth;

iii. Failure of Drainage
Seepage undermining brickwork;

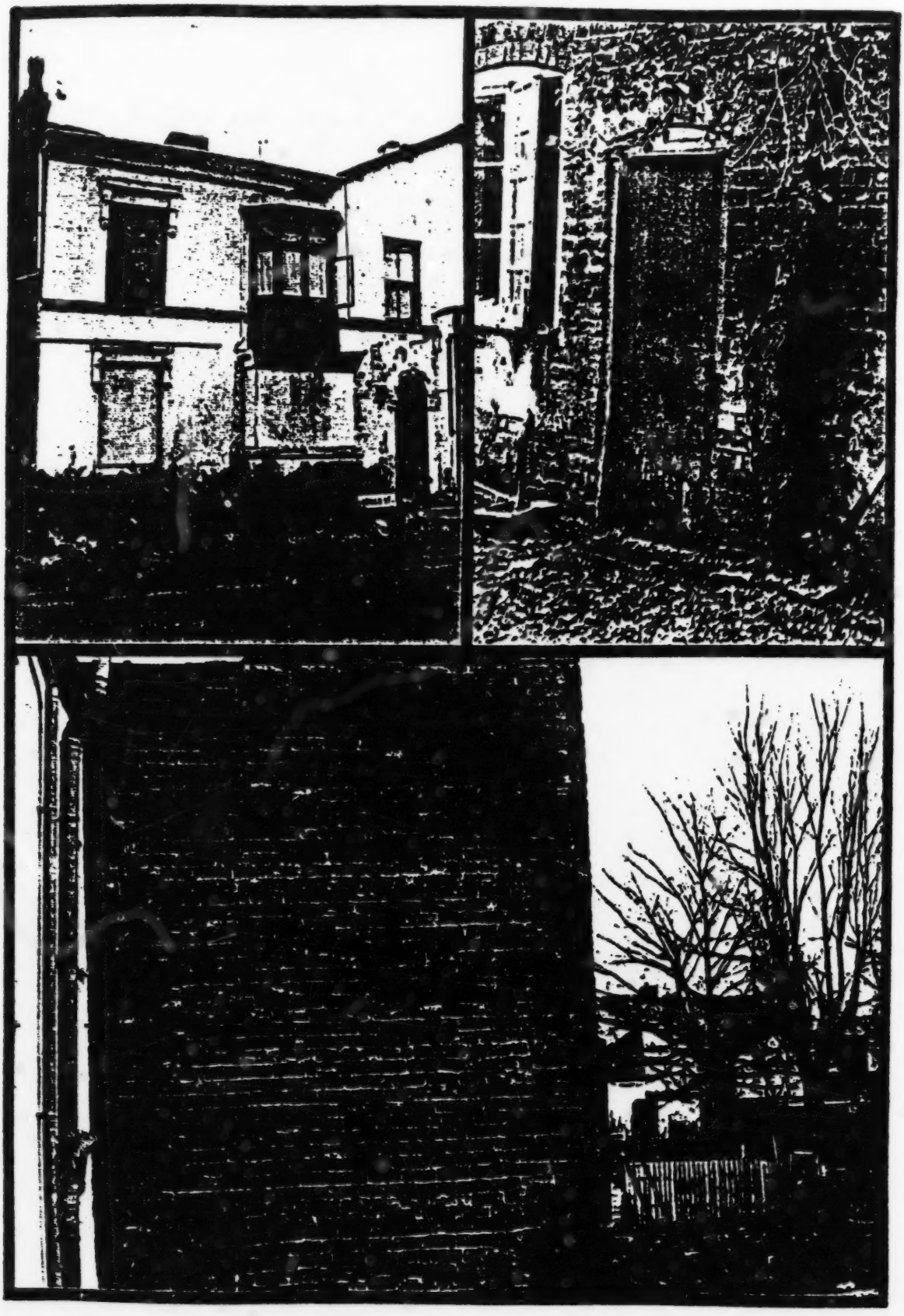
iv. Continual Rainwater Discharge
Washing away ground under buildings;

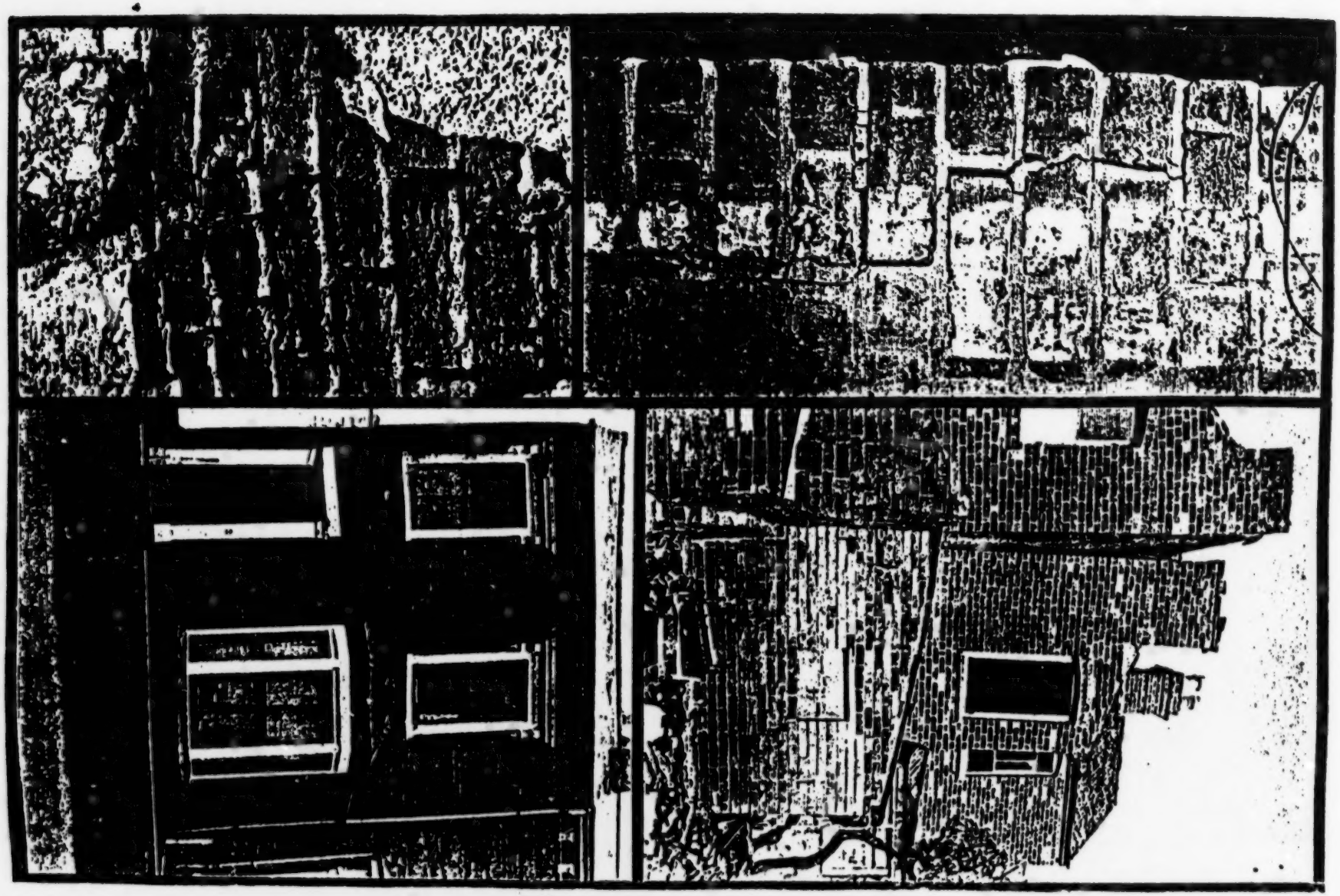
v. Inadequate Construction (Typical Faults)
Eaves spread, no lateral restraint, 9" brickwork on bressemer built about 4½" brickwork; Inadequate entry construction between chimney breasts; Brickwork built off floor joists; Inadequate cellar construction; Use of snap headers resulting in parting of leaves of brickwork.

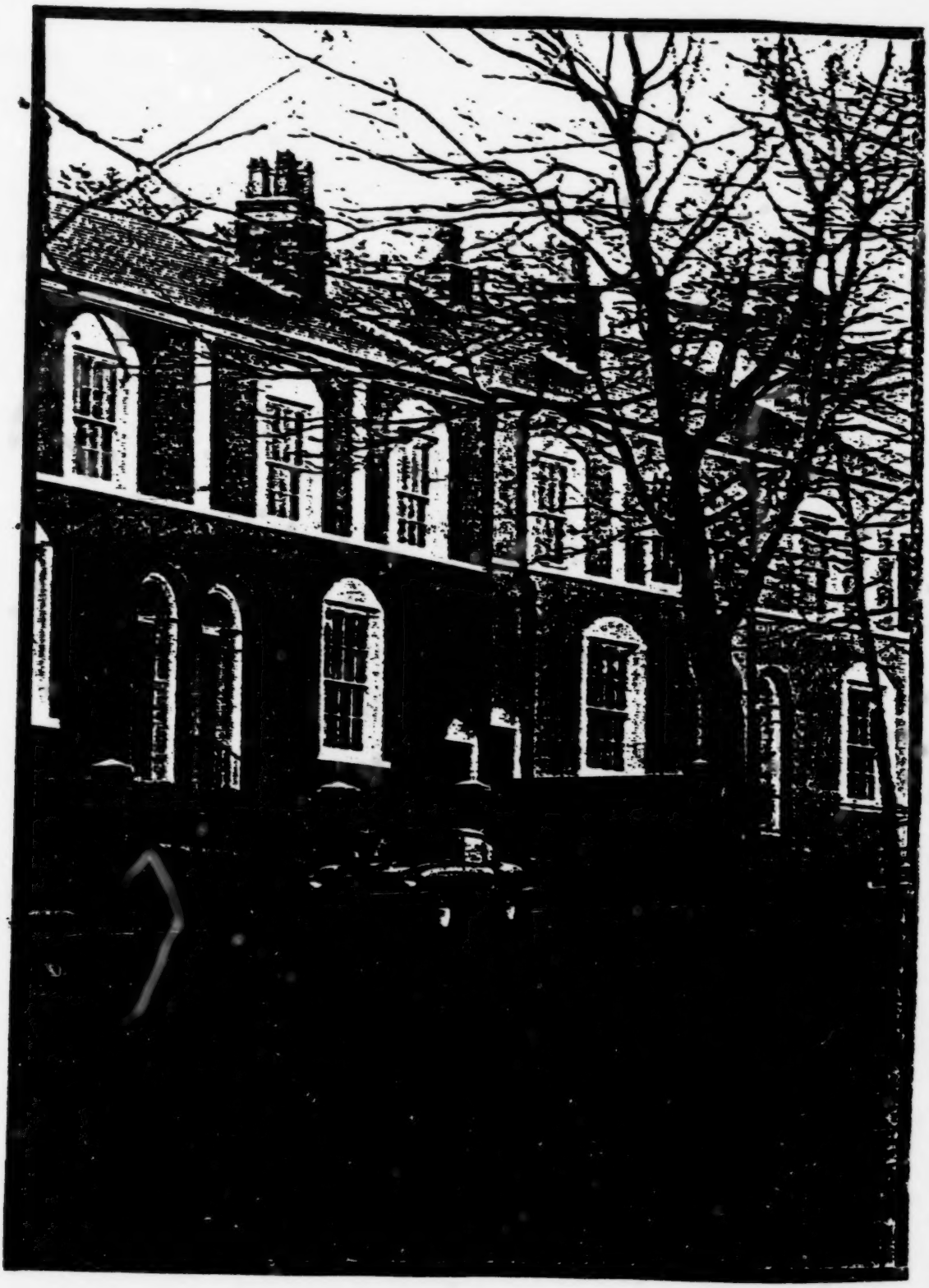
vi. Bomb Damage
The repercussions of this can vary enormously and an overall assessment as to the effects must be made;

vii. Owner's Alterations
Removal of chimney breasts and cross walls etc.

A.6 These structural faults will either have stabilised or be of a progressive nature. The former can usually be easily repaired without further problems arising. However, if progressive instability is found and the cause not easily rectified, the retention of the properties is not recommended. The underlying cause usually affects a number of properties which gives rise to the necessity of dealing with terraces as a whole where appropriate clearance can be considered.







A.7 Full feasibility studies are carried out where there are doubts as to a scheme's viability, and decisions made in the light of the effect on the scheme if works were not implemented, the occupiers attitude towards internal improvement and the cost of the works. Working in conservation areas imposes additional constraints.

Determination of Works to be Included

B.1 Surveys are undertaken and the necessary works scheduled. Minor works are included for improved houses to integrate individual properties into the overall street design. In the main, this involves repair and redecoration treatment of the elevation, and possible replacement of tiles with slates.

Conditional Envelopes

B.2 Where there are houses in multiple occupation, the implementation of envelope works is withheld if the owner does not carry out the works prescribed by enforcement officers i.e. fire, public health and planning. This ensures that the residents benefit from the scheme and that the local authority is not seen to be condoning contraventions of the housing and public health acts.

B.3 Where the scheme includes reconstruction as a result of structural failure, prior agreement to complete the necessary internal works must be secured. Should owners not agree to carry these out, compromise solutions may be sought i.e. enveloping the main building only and leaving the structurally defective wing building. The street scene is not as detrimentally affected as it would have been had the entire works been omitted.

Contract Procedures.

B.4 To achieve high quality improvements quickly and to attract the major national building contractors, tenders are invited for large scale contracts for approximately £1 million covering 275 to 300 dwellings. This is manageable for supervision and attracts the calibre of builders needed to carry out these contracts correctly. These contracts can be undertaken within twelve month periods. The professionalism and expertise of the contractors used contributes considerably to the success of the schemes undertaken. Unlike small one-off house improvement schemes, the input of architects and quantity surveyors normally used in the design and supervision of new works brings about closely supervised high quality works, with economies of scale.

B.5 A simple documentation with Joint Contracts Tribunal form of contract is used to encompass the standard elements to ensure rapid implementation and administration.

Schedule of Work

B.6 Each individual property is surveyed and a schedule of works produced, supported by a photographic record. This is issued to the contractor. Signed indemnities are obtained from the owners, agreeing the works and giving the City's contractor authority to enter the premises. Where possible, standard replacement details are used, including such items as window replacements, door surrounds and eaves detailing. Some details of the extent of works on site are given as work proceeds e.g. items such as roof strengthening or rebuilding of brickwork. As for all rehabilitation schemes, a substantial contingency item is required for additional work that could only be properly assessed once works are in progress. Without an owner's contribution and with simple indemnity agreement, there is considerable flexibility in the administration of the scheme, and adjustments can easily be made on site by architects' instructions. Under the traditional system, the whole grant would need re-appraisal and any loan recalculated.

B.7 Normal contract procedures are followed in the execution of works as for any major construction works.

Supervision

B.8 Apart from the obvious need for progress meetings between the contractor, architect and Council officers, there is a need to co-ordinate other local authority inputs that might be required, such as grants for internal works, temporary rehousing, serving of statutory notices, fumigation or clearance of vermin. Where these are functions of more than one department of the authority, close co-operation is required.

3.9 Both building contractors and their operatives tend to prefer new building works or improvement/repair works to newer properties and often see rehabilitation work as of less value than other building work. Older properties present far dirtier working conditions than most other building works due to the age, condition and layout of the structures. The supervision of the contract involves the motivation of the contractor and his workforce – bringing them to see the works as being worthwhile and needing special adaptation of their skills to produce a successful scheme. The outstanding success of the schemes has been due to the personal commitment of the supervisors and their ability to motivate others.

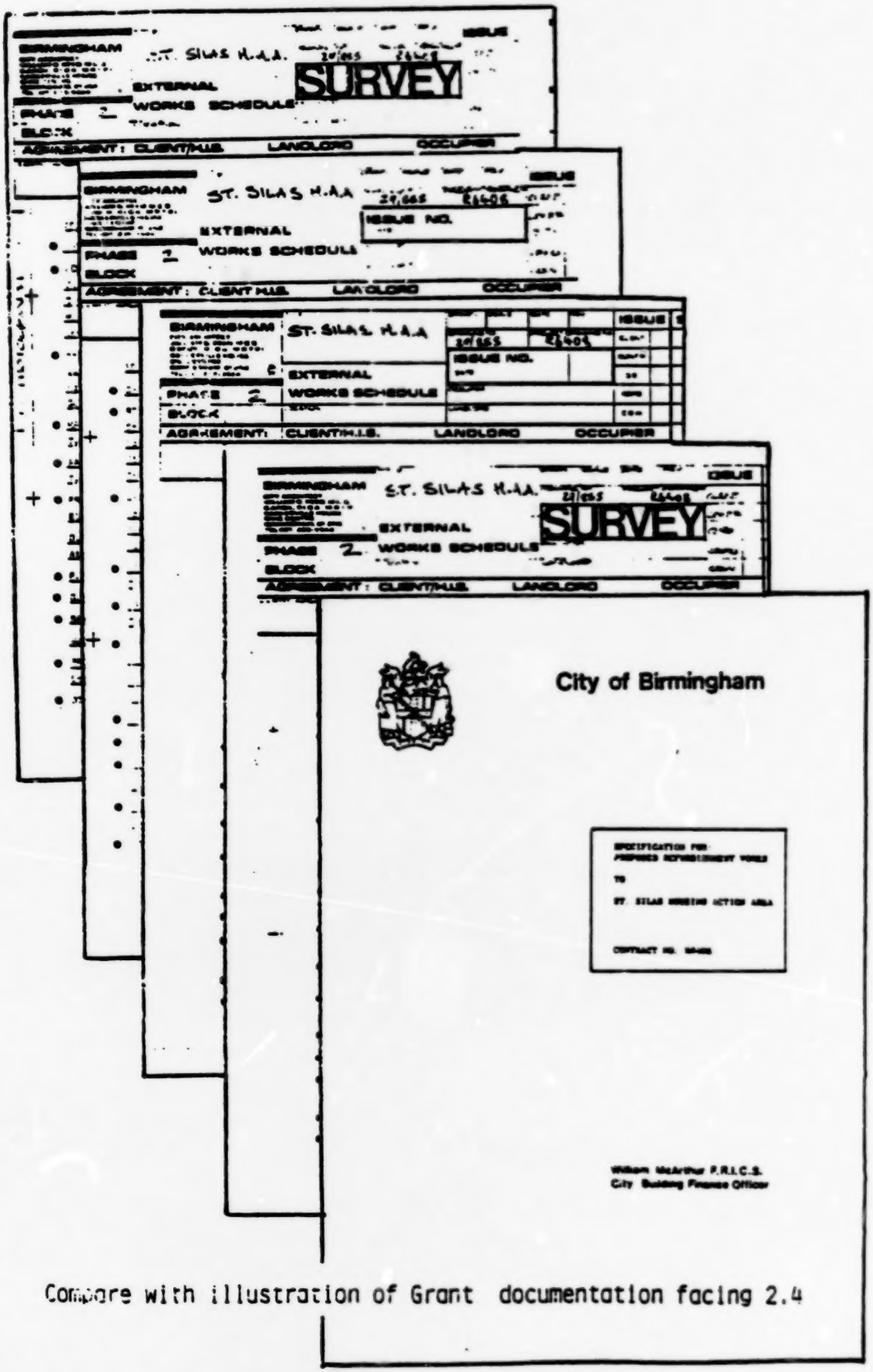
B.10 The most successful contracts have been from builders who have carried out the majority of the works directly. Those administering the works and involving specialist sub-contractors have a more detached approach and the quality of the output can suffer. The work is labour intensive and strong site management is required to gain maximum performance and ensure continuity of trades, essential for rapid completion in occupied homes.

Response to Complaints

B.11 In practice, complaints are dealt with on a private basis between contractor and occupier even though the contract is between the local authority and the builder. No dwellings are acceptable for practical completion until justified complaints have been resolved to the residents' satisfaction. This has resolved almost all the complaints and it is felt that a formal procedure should be avoided.

Consultation with Residents

B.12 The standardisation of some elements such as window design and choice of materials has reduced the necessity for extensive discussion with each owner on the question of design. However, a framework for consultation has developed and the following stages are essential:



Compare with illustration of Grant documentation facing 2.4

i. Introduction of the Scheme to an Area

The introduction of the scheme to any area needs to be discussed with local residents groups. A clear agreement or understanding on what dwellings are to be included or excluded does away with unnecessary uncertainty and reduces apprehension. The scheme has tended to strengthen community groups and gives them greater cohesion. This has made the difficult living conditions created by the works more easy to cope with - tarpaulin sheets for roof covering, streets shrouded in scaffolding and the resultant dust, dirt and noise.

ii. Pre-Contract

Individual consultation identifies the problems and aspirations of the owners or occupants affected. The need for special care for the elderly or sick is noted, and any other relevant agencies brought in. The residents are made aware of the full implementation of the scheme, and internal improvement schemes are discussed at this stage so that any resultant external works can be catered for as far as possible. Colour schemes are developed around the individual's wishes - a factor which helps to create confidence and prevents the individual resident from being submerged in a large scale impersonal contract. All residents have the opportunity to refuse the work.

iii. Post-Contract

Links between residents groups, the Council and the contractor provide an easy means of dealing with queries and allaying fears. Communications are two way: not only to feed back residents' complaints but to explain the anticipated programme and difficulties encountered by the contractors. In order to make a quick response to residents' problems in St. Silas the contractor provided a 24 hour emergency service phone. Good liaison allows a large scale contract to be managed flexibly and to respond to particular circumstances. The scheme is implemented in all but a few cases with the residents living at home throughout the contract period, and is therefore vulnerable to any lack of understanding by any party. Whilst the work is being undertaken by the contractor for the local authority, the ultimate 'clients' are the residents and owners and the authority has to be particularly vigilant to ensure that their interests are well served.

Public Response

B.13 The response to the scheme has varied according to tenure. The owner-occupiers of unimproved properties have been almost unanimously enthusiastic and have shown a high degree of tolerance to problems and co-operation in solving them. It is natural that where owner occupiers have already carried out full improvement, they tend to be the source of any resentment.

B.14 Whilst private landlords have generally been happy for the works to be implemented, they have not always been prepared to carry out internal improvement schemes. Their tenants have shown less tolerance towards any inconvenience since they are subject to some disruption with little direct benefit. There has also been some resentment towards landlords whose liability for external repair and decoration is met without cost.

B.15 In coping with these different responses, it is important that contractors and supervisors appreciate the different circumstances from which they arise.

APPENDIX C. STANDARD ENVELOPE WORKS

C.1 THE STANDARD WORKS INCLUDED WITHIN THE SCHEME WITH RESPECT TO A WHOLLY UNIMPROVED PROPERTY ARE DETAILED BELOW:

Chimneys

C.2 Chimneys are repointed or rebuilt, new or existing pots are bedded, new flashings provided and the flues are cleaned after works. Inspections of gas appliances are carried out by the Gas Board to ensure that no 'potentially dangerous installations' are reconnected. Flue liners are fitted if the flue parging has weathered. Adequate support is provided to chimney breasts bearing on floor joists.

Roof Covering

C.3 Asbestos Cement slate is the predominant replacement material as its low weight properties, together with its aesthetically pleasing finish, have been found to be a suitable substitute for the existing natural slate. Some areas dictate the use of small plain tiles, and the inter-locking concrete tile is avoided. Ridges, hips, valleys and verges are also renewed, with steps in roofs rebuilt and secret gutters formed to abut improved roofs.

Roof Structure

C.4 The existing roof construction of rafters and purlins is often found to be failing due to a number of reasons, the most common being:-

i. No triangulation, which leads to eaves spread.

ii. Inadequate number and/or size of purlins poorly supported, often splitting or decayed. This leads to deflection of rafters, which cannot be re-used due to their distorted shape, but are salvaged and used as strengthening members.

iii. Rotting wall plates, from water penetration.

iv. Defective eaves brickwork, usually a combination of stress from the roof and ineffective guttering allow water to erode the mortar.

v. Use of snapheaders in brickwork giving a poor support to the roof structure.

vi. Effects of bomb damage.

C.5 Triangulation of structure and strengthening of members is by means of additional purlins collars, struts and ties. This is in accordance with Schedule 6 of the Building Regulations as far as possible. Some properties are outside the scope of the schedule and it is not practical to use truss rafters because of attic conditions which are used as bedrooms, and the non-uniform width of the buildings,necessitating individual trusses being made. Eaves brickwork usually requires rebuilding and ties are introduced to reduce the risk of further eaves spread. This work usually means decorative fascias having to be replaced. The lack of inspection access in existing ceilings mean the remedial works can only be accurately assessed after the roofs have been stripped.

Dormers/Roof Lights to Attic Rooms

C.6 Dormer windows are replaced or repaired as required. If roof spaces are unused, agreement is sought from the owners to take out the dormer and roof over the lights, which reduces expenditure.

Insulation

C.7 Insulation is provided with 80mm quilt to conventional roof spaces and the most appropriate material, where there are attics, is often a combined felt/insulation. Adequate ventilation to roof spaces must be provided.

Ceilings

C.8 As far as possible ceilings are retained, but attic ceilings usually require replacement as they are direct to underside of rafters. Replastering of associated stud walls sometimes has to be incorporated as an integral part of the attic ceilings.

Electrics

C.9 When dealing with replacement ceilings, especially attics, problems arise where electrics are exposed and seen to be dangerous. Some wiring has to take place.

Party Walls

C.10 Party walls within the roof space often do not exist except for purlin support. These are vital as fire stops, and walls are built up with a fire stop provided to prevent fire spreading throughout terraces.

Guttering R.W.Ps

C.11 Rainwater goods of several types have been used and the most durable have been found to be squareline, fixed at 600mm centres to withstand snowloading. Rain water pipes are replaced as existing unless guttering is overloaded and additional downpipes are added. The drainage must be sound and clear. Soakaways should be avoided if at all possible.

Elevation Treatment

C.12 Stone painting, render, plastic coatings are often used to cover defective brickwork. However, all need maintenance and the most effective treatment has been found to be cutting out brickwork and rebuilding. Special bricks were made to ensure continuity of bonding. This is an expensive solution, but ensures low cost future maintenance.

Repointing

C.13 The Brick Development Association recommends a lime mortar for this type of work to ensure the pointing is not stronger than the brick. The narrow rubbed joints on front elevations are extremely difficult to repoint. It is usually the inferior brickwork on the rear elevations that needs greater attention. Coloured mortar helps patch pointing blend more acceptably with the existing brickwork.

Restoration of Features

C.14 Replacement fascias are matched as closely as possible, as are barge boards and soffit details. Arches and cills are either made good or replaced and all are redecorated. Attention to detail is followed through to the name plates, frequently depicting the date of construction. No replacement bricks can be obtained at realistic costs for the splay brick arches, originally rubbed into their position. A substitute of epoxy resin and brick dust is used for repair, but often owners have already stone painted the arches, which has to be duplicated.

Damp Proof Courses

C.15 The early schemes endeavoured to provide a D.P.C. treatment from the outside. However, because guarantees could be invalidated by subsequent internal improvement schemes, any D.P.C. work is left to be done with the internal works, except for very damp conditions on front and rear elevations where external painting or render is intended.

Joinery

C.16 Due to labour costs, joinery is often replaced rather than repaired. This gives a longer life and allows the introduction of pseudo sash windows to cater for occupiers wanting a modern opening light. The bottom pane is a removable fixed light to allow furniture removal, the only suitable access in many pre-1919 small terraced dwellings. Door frames are replaced to match existing ones as far as possible. Door surrounds often need replacement due to rot on the back face. Attention to detail is vital if the appearance is to be preserved especially with back of pavement dwellings. Plastering is made good, but no redecoration is carried out.

Entries

C.17 Repointing, replacement of defective brickwork and in some instances, stone paint or 'hybuild' is carried out to entries. This lightens the entries and can make a dramatic improvement. In some areas the entries are collapsing, due usually to the combination of the weight of chimneys and differential settlement. If this failure is progressive, extensive rebuilding is necessary. Strengthening of the chimney arches can be effective where brickwork is shearing. For additional security to the occupiers, entry gates with frames are provided on the frontage.

Wing Buildings

C.18 Typical dwelling arrangement of Victorian Terraced Houses in Birmingham falls into two layouts. Both have two-up, two-down rooms in the main building, but the bedroom arrangements differ, according to the wing buildings.

Type a	Type b
Has an attic bedroom with a single storey wing building	Has a two-storey wing building with outbuildings.

Due to poor construction in inferior bricks, inadequate containment of rainwater and drainage, and lack of foundations, adequate work to rear wing buildings is costly. Work to two-storey wings is normally undertaken. The single storey wings invariably necessitate exclusion. They usually have no foundations, quarry tile floors direct on to earth and are constructed in 4½" brickwork. The brick is generally of poor quality, highly porous and is in distress due to the number of openings proportionate to area of brickwork and the weight of the roof structure. The rebuilding of these wings has to be incorporated into the internal improvement work.

Services

C.19 The replacement of services has not been included in the scheme. Drainage faults are corrected as this is a common cause of structural failure.

a
b

Appendix C

Municipalities Which Deliver Urban RRAP
Atlantic Region

NEW BRUNSWICK	NOVA SCOTIA	P.E.I.	NEWFOUNDLAND
St. Stephen	Mainland	Charlottetown	St. John's
Saint John	Amherst	Summerside	Corner Brook
Grand Bay	Antigonish	Alberton	Bishop's Falls
Hampton	Bridgewater	Georgetown	Windsor
Sussex	Canso	Parkdale	Wabana
Fredericton	Dartmouth	O'Leary	Stephenville
Edmundston	Digby	Tignish	Botwood
Grand Falls	Halifax	Kensington	Grand Falls
Minto	Kentville	Souris	
Moncton	Liverpool	Montague	
Dieppe	Lockeport	Borden	
Sackville	Lunenburg	Sherwood	
	New Glasgow	North Rustico	
	Parrsboro	Central Bedeque	
	Pictou	Cornwall	
	Stellarton	Tyne Valley	
	Trenton	Wellington	
	Westville		
	Windsor		
	Wolfville		
	Yarmouth		
	Cape Breton		
	Sydney Mines		
	Louisbourg		
	North Sydney		
	Sydney		
	Glace Bay		
	New Waterford		

Appendix D

Interview Guide for the Contractor Survey

Briefly explain objective of the program,
State assumptions:

1. Units all located in same geographic area,
2. Work to be done for each trade to be complete renewal.

Questions:

1. Would you be interested in working as an (electrical, plumbing, general) contractor on a group of 2 or more house renovation projects?
   YES____ NO____, If no, why not?

2. Would there be any saving to the owners by working 2 or more units with similar repair requirements?
   YES - In labor or materials or both?
   NO - Why not?

3. If no to 2 - what would the circumstances be to provide a saving to the owner?

4. What would be an optimum number of units that your firm (size - average per year_____) could work on?
   2 - 5
   5 - 10, etc.

5. Would there be a time of year that you would prefer to work on this type of project?

Appendix E

Private Occupied Dwellings by Condition of Repair by Period of Construction, Atlantic Canada, 1981

6001-P01313-2B-1981-CENSUS
PRIVATE OCCUPIED DWELLINGS BY CONDITION OF REPAIR BY
PERIOD OF CONSTRUCTION IN RURAL URBAN SIZE GROUPS
FOR ATLANTIC CANADA, 1981
17 MAY 1983 PAGE 1

	RURAL UNDER 5000	URBAN UNDER 10000	URBAN 10000+	TOTAL
		FUNCTION: COUNT		
AREA: SP10		NEWFOUNDLAND - TERRE-NEUVE		
BUILT 1960 OR BEFORE				
NO ONLY REGULAR MAINTENANCE..	25,845	3,225	15,750	44,820
YES MINOR REPAIRS ARE NEEDED.	8,285	1,095	4,600	13,980
YES MAJOR REPAIRS ARE NEEDED.	5,340	760	1,740	7,840
ALL CONDITIONS.....	39,470	5,075	22,090	66,645
BUILT AFTER 1960				
NO ONLY REGULAR MAINTENANCE..	35,915	3,810	28,610	68,335
YES MINOR REPAIRS ARE NEEDED.	5,730	765	3,715	10,210
YES MAJOR REPAIRS ARE NEEDED.	2,245	205	775	3,230
ALL CONDITIONS.....	43,895	4,775	33,105	81,780
ALL PERIODS OF CONSTRUCTION				
NO ONLY REGULAR MAINTENANCE..	61,755	7,035	44,360	113,155
YES MINOR REPAIRS ARE NEEDED.	14,020	1,860	8,320	24,190
YES MAJOR REPAIRS ARE NEEDED.	7,590	965	2,515	11,070
ALL CONDITIONS.....	83,365	9,855	55,200	148,420
AREA: SP11		P.E.I. - I.-P.-E.		
BUILT 1960 OR BEFORE				
NO ONLY REGULAR MAINTENANCE..	7,310	-	4,500	11,805
YES MINOR REPAIRS ARE NEEDED.	3,705	-	1,590	5,295
YES MAJOR REPAIRS ARE NEEDED.	2,145	-	630	2,770
ALL CONDITIONS.....	13,155	-	6,715	19,870
BUILT AFTER 1960				
NO ONLY REGULAR MAINTENANCE..	9,975	-	4,830	14,800
YES MINOR REPAIRS ARE NEEDED.	1,720	-	735	2,460
YES MAJOR REPAIRS ARE NEEDED.	445	-	85	530
ALL CONDITIONS.....	12,140	-	5,650	17,790
ALL PERIODS OF CONSTRUCTION				
NO ONLY REGULAR MAINTENANCE..	17,285	-	9,320	26,605
YES MINOR REPAIRS ARE NEEDED.	5,430	-	2,325	7,755
YES MAJOR REPAIRS ARE NEEDED.	2,585	-	715	3,300
ALL CONDITIONS.....	25,295	-	12,365	37,660
AREA: SP12		NOVA SCOTIA - NOUVELLE-ECOSSE		
BUILT 1960 OR BEFORE				
NO ONLY REGULAR MAINTENANCE..	38,125	6,685	37,120	81,935
YES MINOR REPAIRS ARE NEEDED.	22,110	3,100	17,505	42,715
YES MAJOR REPAIRS ARE NEEDED.	13,285	1,340	7,290	21,915
ALL CONDITIONS.....	73,520	11,125	61,920	146,565
BUILT AFTER 1960				
NO ONLY REGULAR MAINTENANCE..	48,580	5,360	47,525	101,465
YES MINOR REPAIRS ARE NEEDED.	10,505	980	8,125	19,605
YES MAJOR REPAIRS ARE NEEDED.	3,430	240	1,895	5,560
ALL CONDITIONS.....	62,510	6,575	57,540	126,630
ALL PERIODS OF CONSTRUCTION				
NO ONLY REGULAR MAINTENANCE..	86,710	12,045	84,645	183,400

6001-P01313-2B-1981-CENSUS
PRIVATE OCCUPIED DWELLINGS BY CONDITION OF REPAIR BY
PERIOD OF CONSTRUCTION IN RURAL URBAN SIZE GROUPS
FOR ATLANTIC CANADA, 1981
17 MAY 1983 PAGE 2

	RURAL UNDER 5000	URBAN UNDER 10000	URBAN 10000+	TOTAL
	FUNCTION: COUNT			
AREA (CONT'D): SP12	NOVA SCOTIA - NOUVELLE-ECOSSE			
ALL PERIODS OF CONSTRUCTION (CONT'D)				
YES MINOR REPAIRS ARE NEEDED.	32,610	4,075	25,635	62,320
YES MAJOR REPAIRS ARE NEEDED.	16,715	1,575	9,185	27,475
ALL CONDITIONS.....	136,035	17,700	119,465	273,195
AREA: SP13	NEW BRUNSWICK - N.-B.			
BUILT 1960 OR BEFORE				
NO ONLY REGULAR MAINTENANCE..	31,030	4,075	27,575	62,675
YES MINOR REPAIRS ARE NEEDED.	15,760	1,825	10,720	28,310
YES MAJOR REPAIRS ARE NEEDED.	10,385	1,005	4,320	15,715
ALL CONDITIONS.....	57,170	6,910	42,610	106,690
BUILT AFTER 1960				
NO ONLY REGULAR MAINTENANCE..	47,240	3,745	35,505	86,490
YES MINOR REPAIRS ARE NEEDED.	9,350	775	5,780	15,905
YES MAJOR REPAIRS ARE NEEDED.	4,150	290	1,390	5,830
ALL CONDITIONS.....	60,740	4,815	42,670	108,225
ALL PERIODS OF CONSTRUCTION				
NO ONLY REGULAR MAINTENANCE..	78,265	7,820	63,080	149,165
YES MINOR REPAIRS ARE NEEDED.	25,115	2,605	16,500	44,215
YES MAJOR REPAIRS ARE NEEDED.	14,535	1,295	5,705	21,540
ALL CONDITIONS.....	117,915	11,720	85,290	214,920
AREA: T1000001	ATLANTIC PROVINCES			
BUILT 1960 OR BEFORE				
NO ONLY REGULAR MAINTENANCE..	102,305	13,985	84,935	201,235
YES MINOR REPAIRS ARE NEEDED.	49,860	6,020	34,420	90,300
YES MAJOR REPAIRS ARE NEEDED.	31,155	3,100	13,975	48,235
ALL CONDITIONS.....	183,325	23,105	133,340	339,770
BUILT AFTER 1960				
NO ONLY REGULAR MAINTENANCE..	141,705	12,915	116,475	271,090
YES MINOR REPAIRS ARE NEEDED.	27,310	2,520	18,355	48,185
YES MAJOR REPAIRS ARE NEEDED.	10,270	730	4,145	15,145
ALL CONDITIONS.....	179,285	16,160	138,970	334,420
ALL PERIODS OF CONSTRUCTION				
NO ONLY REGULAR MAINTENANCE..	244,015	26,900	201,410	472,325
YES MINOR REPAIRS ARE NEEDED.	77,170	8,535	52,775	138,485
YES MAJOR REPAIRS ARE NEEDED.	41,430	3,830	18,125	63,385
ALL CONDITIONS.....	362,615	39,265	272,315	674,195

POOR

QUALITY

ORIGINAL